

# **DELPHI**

MECHATRONIC SYSTEMS

***IMPORTANT DELPHI MECHATRONIC SYSTEMS  
SAVINGS-STOCK PURCHASE PROGRAM  
INFORMATION ENCLOSED***



**DELPHI**

**PROSPECTUS AND SUMMARY PLAN DESCRIPTION**

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933, as amended.

**DELPHI CORPORATION**

COMMON STOCK  
(\$0.01 Par Value)



*This Prospectus relates to shares of stock that Delphi Corporation  
will offer and deliver under the*

**DELPHI MECHATRONIC SYSTEMS  
SAVINGS-STOCK PURCHASE PROGRAM**

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Delphi Corporation has not authorized anyone to provide you with information that is different from the information contained in this Prospectus or in the documents that are a part of this Prospectus through incorporation by reference. You should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus.

**The date of this Prospectus is June 1, 2003.**

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## GENERAL INFORMATION

The principal executive offices of Delphi Corporation ("Delphi") are located at 5825 Delphi Drive, Troy, Michigan 48098, telephone number (248) 813-2000.

Delphi Mechatronic Systems, Inc. ("D-MS"), a wholly-owned subsidiary of Delphi, established the Delphi Mechatronic Systems Savings-Stock Purchase Program (hereinafter referred to as the "Program") effective June 1, 2001, which consists of the "Complete Text" entitled "Delphi Mechatronic Systems Savings-Stock Purchase Program."

References in this Prospectus to the "Program" and to the "Complete Text" shall mean references to the "Delphi Mechatronic Systems Savings-Stock Purchase Program."

Capitalized terms used in this Prospectus and not otherwise defined herein have the meaning specified in the "Complete Text." The foregoing statements are summaries of certain provisions of the Program. They do not purport to be complete. The Complete Text, which is available to participants upon request, governs all aspects of the Program.

This Prospectus also is intended to serve as a Summary Plan Description, as required by The Employee Retirement Income Security Act of 1974, as amended (ERISA).

The purpose of the Program is to facilitate the accumulation of savings by you and other eligible employees and to provide such employees with an opportunity to acquire an equity investment in Delphi.

## DOCUMENTS INCORPORATED BY REFERENCE

The Securities and Exchange Commission (the "SEC") permits Delphi to "incorporate by reference" information into this Prospectus. This means that we can disclose important information to you by referring you to another document that Delphi has filed separately with the SEC. You should consider the information that Delphi has incorporated by reference to be a part of this Prospectus, except to the extent that the information actually contained in this document replaces such other information. This Prospectus incorporates by reference the documents listed below that Delphi has previously filed with the SEC. These documents contain important information about Delphi and its finances.

- The annual report on Form 10-K for the year ending December 31, 2001, as amended, which Delphi filed pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

- The quarterly reports on Form 10-Q and the current reports on Form 8-K which Delphi has filed since December 31, 2000 pursuant to Section 13 of the Exchange Act.
- The annual report on Form 11-K for the fiscal year ended December 31, 2000 filed by the Program pursuant to Section 15 of the Exchange Act.
- The description of Delphi Common Stock, contained in Article Fourth of the Delphi Restated Certificate of Incorporation which Delphi filed as Exhibit 3.1 to its Registration Statement on Form S-1 dated January 2, 1999, and any amendment or report which Delphi files for the purpose of updating that information.
- The "Complete Text" of the Program entitled "Delphi Mechatronic Systems Savings-Stock Purchase Program."

In addition, this Prospectus incorporates by reference all documents and reports which Delphi or the Program files after the date of this Prospectus pursuant to Section 13(a), 13(c), 14, or 15(d) of the Exchange Act prior to the time that Delphi files a post-effective amendment which indicates that it has sold all securities offered by this Prospectus or which deregisters all remaining unsold securities.

If you are eligible to participate in the Program and you would like a copy of any of the documents listed above, D-MS will provide them (without Exhibits) to you at no charge. To request any of these documents, you should write or telephone the location indicated below.

Human Resources Manager  
Delphi Mechatronic Systems, Inc.  
3110 Woodcreek Drive  
Downers Grove, Illinois 60515  
Telephone Number: 1-630-795-4541

## AVAILABLE INFORMATION

Delphi files annual, quarterly, and special reports, proxy statements, and other information with the SEC. You may read and copy any reports, proxy statements, and other information that Delphi files at the SEC's public reference rooms in:

- Washington, D.C. (450 Fifth Street, N.W. Washington, D.C. 20549)
- New York (233 Broadway, New York, NY 10279)
- Chicago (Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, IL 60661)

You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. You also may read these reports, proxy statements, and other information at the offices of the following stock exchange:

- New York Stock Exchange (11 Wall Street, New York, NY 10005)

The above materials also can be read on the Internet at the SEC website at <http://www.sec.gov>.

## THE PROGRAM

### INVESTMENT SERVICE CENTER

Many aspects of recordkeeping and transaction processing related to the Program are centralized and performed in their entirety by the Investment Service Center, a centralized facility consisting of a touch-tone voice response telephone system, an Internet website, as well as a staff of service representatives. Fidelity Institutional Retirement Services Company ("Fidelity") provides the services for the Investment Service Center.

In this regard, if you have an account in the Program, you must establish a confidential Personal Identification Number ("PIN"). If you do not yet have a PIN, call the Investment Service Center, toll-free, at 1-877-389-2374. Your access to the services offered through the Investment Service Center is available only when you have a PIN (see "Miscellaneous-Confidential Information").

You may access your account information and initiate certain transactions on the Internet at [www.401k.com](http://www.401k.com). You also may access your account information and initiate transactions by calling the Investment Service Center, toll-free, at 1-877-389-2374. If you are calling from outside the United States or Canada, you may call collect by obtaining an AT&T Direct access number by visiting <http://www.att.com/traveler>, by calling 1-800-331-1140 for a list of country codes, or by asking the local operator. After you dial your AT&T Direct access number, enter 877-833-9900 to reach your Plan account information. TTY service for the hearing or speech impaired is available by calling 1-800-655-0969.

Transactions initiated by you and confirmed before the close of business of the New York Stock Exchange ("NYSE"), normally 4:00 p.m. Eastern Time ("E.T."), on a Business Day are processed at the fund's closing price on that Business Day. For purposes of this Prospectus, "Business Day" means any day the NYSE is open for business, and, with respect to assets held in a fund, on which subscriptions, redemptions, and exchanges for the fund have not been suspended. Transactions initiated by you and confirmed after the close of business of the NYSE,

normally 4:00 p.m. (E.T.) on any Business Day, or on a weekend or holiday observed by the NYSE, or a day when subscriptions, redemptions, and exchanges for the fund have been suspended, are processed at the fund's closing price for the next Business Day.

**GENERAL MOTORS INVESTMENT MANAGEMENT CORPORATION ("GM INVESTMENT MANAGEMENT" OR "GMIMCo") AND GENERAL MOTORS TRUST COMPANY ("GMTC" OR "GM TRUST COMPANY") RESERVE THE RIGHT TO MODIFY OR SUSPEND THE RIGHT TO EFFECT TRANSACTIONS, INCLUDING SUBSCRIPTIONS, REDEMPTIONS AND EXCHANGES, AT ANY TIME, IN RESPONSE TO MARKET CONDITIONS OR OTHERWISE. FURTHERMORE, FIDELITY AND THE OTHER MUTUAL FUND PROVIDERS RESERVE THE RIGHT TO MODIFY OR SUSPEND SUBSCRIPTIONS, REDEMPTIONS AND EXCHANGES AS DESCRIBED IN THEIR PROSPECTUSES, WHICH MIGHT IN TURN DELAY YOUR EXCHANGES TO OR FROM THE PROGRAM FUNDS OR THE DELPHI COMMON STOCK FUND. NEITHER D-MS, DELPHI, GMIMCo, GM TRUST COMPANY OR THE OTHER FUND MANAGERS, THE INVESTMENT ADVISORS, NOR THE TRUSTEE SHALL BE RESPONSIBLE FOR ANY ECONOMIC IMPACT (INCLUDING CHANGE IN MARKET VALUE) RESULTING FROM ANY SUCH SUSPENSION OR MODIFICATION. See also "Fund Exchanges" and "Withdrawals and Distributions" for more information.**

**THE INVESTMENT SERVICE CENTER TELEPHONE VOICE RESPONSE SYSTEM, AS WELL AS THE PROGRAM'S INTERNET WEBSITE, ARE USUALLY AVAILABLE TO YOU 24 HOURS EACH DAY; HOWEVER, SERVICE AVAILABILITY DURING THESE TIMES IS NOT GUARANTEED. NEITHER FIDELITY, DELPHI, NOR D-MS WILL BE RESPONSIBLE FOR ANY LOSS YOU MAY INCUR AS A RESULT OF THE SERVICE BEING UNAVAILABLE, OR IF EXECUTION OF THE TRANSACTION IS DELAYED FOR ANY REASON, INCLUDING MARKET DISRUPTION.** You may speak with Investment Service Center representatives between 8:30 a.m. and 12:00 midnight (E.T.) Monday through Friday (except holidays).

### ELIGIBILITY

You may participate in the Program only if you are considered by D-MS to be a "regular" employee of D-MS. "Regular" employees include only persons compensated fully or partly by salary and/or commission who are not represented by a labor organization (unless they are eligible through understandings reached between D-MS and their collective bargaining representatives) who are working in the United States or who are citizens of, or domiciled in, the United States and who are sent to work in foreign operations by D-MS on a temporary basis. If you are classified by D-MS as a "part-time" employee, a "regular employee—temporary assignment," a "flexible

service employee," or a "temporary employee," you also are eligible to participate in the Program.

If you are classified as a "leased employee" (as determined under the Federal tax law) or you are an employee of any affiliate or subsidiary of Delphi other than D-MS, you are not eligible to participate unless employees of your subsidiary are specifically approved for inclusion in the Program by the D-MS Board of Directors. If you are an employee of D-MS classified as a "contract employee," a "bundled services employee," a "consultant," a person who D-MS does not consider to be an employee or other similarly situated individual, or an individual who represents himself to be an "independent contractor," regardless of whether you are a common law employee of D-MS, you are not eligible to participate in the Program. If you are a "cooperative student employee" of D-MS, you are not eligible to participate in the Program.

You are eligible to participate in the Program as of the first day of the month coinciding with or next following the completion of six months of employment. If you are a D-MS employee who transitioned from Eaton Corporation on March 30, 2001 and you were already eligible to become a participant in the Eaton Corporation Share Purchase and Investment Plan on March 30, 2001, you were eligible to participate in the Program on June 1, 2001. If you are a previously eligible employee who returns to work after having been ineligible to participate following an earlier date of termination of employment with D-MS, you may immediately participate upon your return.

If you are on a D-MS approved disability leave of absence, or certain special leaves of absence, you remain eligible to accumulate savings for up to six months while you continue to receive eligible salary continuation payments on such leaves.

Your participation in the Program is entirely your choice. D-MS does not require you to participate. You may discontinue or change your participation at any time.

#### **EMPLOYEE CONTRIBUTIONS**

In general, if you are an employee working in the United States who is not compensated in whole or in part on a commission basis, the term "eligible salary" includes your regular base salary. If you are a temporary employee, regular base salary means your hourly rate of pay times straight-time hours worked during a pay period. The term "eligible salary" includes Deferred Savings (the amount of before-tax contributions made by D-MS pursuant to the Deferred Savings feature of the Program) and any amounts contributed on a before-tax basis to any flexible benefits plans. The term "eligible salary" excludes:

- any D-MS matching contributions
- commissions

- drawing accounts
- bonuses
- overtime and night shift payments
- seven-day operation premiums and
- any other special payments, fees, awards, and allowances.

Federal law provides that for purposes of the Program, your "eligible salary" may not exceed \$200,000 per year (as may be adjusted in compliance with Federal regulations). If you are an eligible employee compensated in whole or in part on a commission basis, your "eligible salary" includes the greater of (1) your regular base salary or (2) a salary equivalent as determined by a committee appointed by the D-MS Board of Directors.

As long as you are eligible, there are two different ways for you to participate in the Program.

- (1) You may elect to contribute to your account, on an after-tax basis, up to 40% of your eligible salary only through payroll deductions (this manner of participation is referred to as "Regular Savings"). This contribution may only be made through payroll deductions.
- (2) You may elect to contribute on a before-tax basis (this manner of employee participation is referred to as "Deferred Savings"). The Deferred Savings feature of the Program is offered pursuant to Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code"). If you elect to participate in the Deferred Savings feature of the Program, you are agreeing to a reduction in compensation of an amount which you designate, up to the lesser of (a) \$12,000 for 2003 (an amount that is periodically adjusted under Federal regulations) or (b) 40% of your eligible salary for a calendar year. Simultaneously, D-MS agrees to contribute to your Program account, on your behalf, an amount exactly equal to the amount of your salary reduction. Additionally, if you are age 50 or older or will attain age 50 by the end of the year, you may be eligible to make "Catch-Up" contributions to your account to the extent allowed by Federal law. Catch-Up contributions may only be made on a before-tax basis and only after your contributions become subject to a limitation (e.g., the limitation on Deferred Savings contributions, \$12,000 for 2003). See "Tax Considerations" for additional information about contributions to the Program. The maximum amount of Catch-Up contributions you may be eligible to make per year will be based on the following schedule: \$2,000 in 2003, \$3,000 in 2004, \$4,000 in 2005, \$5,000 in 2006, and thereafter indexed for inflation in \$500 increments. Deferred Savings contributions vest immediately and are non-forfeitable. Deferred Savings contributions can only be made through salary reductions. See



"Tax Considerations" for a discussion of the tax effects if you elect to participate in the Deferred Savings feature of the Program.

Your Deferred Savings may not exceed \$12,000 for 2003 (this amount is adjusted periodically under Federal regulations). Once this pre-tax limit is reached, your Program deferral percentage will stop. You may elect to start after-tax deductions by initiating a change online at [www.401k.com](http://www.401k.com) or by calling the Investment Service Center at 1-877-389-2374. Any amounts exceeding \$12,000 (as may be adjusted) must be contributed as Regular Savings.

In addition, you also may elect to combine the two contribution methods, provided that together they do not total more than 40% of your eligible salary for any calendar year. The sum of both of the above described methods of contribution is referred to in this Prospectus as "employee contributions." As more fully described below, D-MS makes "matching contributions" at a certain percentage of your "Basic Savings" (i.e., your contributions of eligible salary), which may change from time to time. The Basic Savings percentage is currently 7%. Your payroll deductions for both the Regular Savings and Deferred Savings features of the Program must be in whole percentages of your eligible salary (rounded down to the nearest whole dollar). This contribution may only be made through payroll deductions.

#### **EMPLOYER CONTRIBUTIONS**

Effective April 1, 2003, D-MS "matching contributions" became 30% of your Basic Savings. D-MS may raise or lower the 30% figure from time to time in its discretion. D-MS does not make any matching contributions with respect to your contributions in excess of Basic Savings (those savings in excess of "Basic Savings" are referred to in this Prospectus as "Additional Savings") or with respect to any Catch-Up contributions.

D-MS will automatically enroll you in the Program when eligibility commences (eligibility is the first day of the month coinciding with or next following the completion of six months of employment) at a 3% deferred savings contribution rate. Simultaneously, D-MS will contribute corporate contributions based on your automatic pre-tax contribution election.

As an employee, you may opt out of the Program at any time by calling the Investment Service Center at 1-877-389-2374, Monday through Friday, 8:30 a.m. to midnight ET or by logging onto [www.401k.com](http://www.401k.com).

You may change your election to participate in the Program, or the percentage of your Regular Savings contribution rate or Deferred Savings contribution rate, at any time, by calling the Investment Service Center.

#### **ROLLOVER CONTRIBUTIONS FROM OTHER QUALIFIED PLANS**

Once you are eligible to participate in the Program, you are permitted to make a rollover contribution to the Program of an amount not exceeding the taxable portion of cash proceeds received from a traditional Individual Retirement Account ("IRA"). Also, you may make a rollover contribution to the Program of an amount not exceeding the taxable and/or nontaxable cash proceeds received from another eligible retirement plan. An "eligible retirement plan" includes a plan qualified under Section 401(a) of the Code, including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a Section 403(a) annuity plan; a Section 403(b) tax sheltered annuity; and an eligible Section 457(b) plan maintained by a governmental employer. Additionally, cash proceeds received under a Qualified Domestic Relations Order from any of the plans described above may be rolled over to the Program. D-MS matching contributions are not credited on any rollover contributions. Contributions of this kind must be made (1) by a "direct rollover," or (2) normally within 60 days from the date you receive a distribution from another qualified plan. Such rollovers are designated as Unrestricted (assets in the Program which are not subject to the Required Retention Period) contributions.

#### **TRUST TO TRUST TRANSFERS**

The Administrator may direct the Program Trustee, currently, State Street Bank and Trust Company (the "Trustee"), to accept a transfer from, or to make a transfer to, a similar qualified plan, provided such plan (1) is maintained by an employer which is a member of Delphi's controlled group of corporations and (2) permits such transfers. Any funds so transferred must be in the form of cash and accompanied by written instructions from the Trustee identifying the employee and the source of funds. You may make no transfer until your outstanding loans in the Program are repaid and only if your account assets are fully vested. No such transfer to the Program can occur if the transferring plan provides (or at any time provided) benefits through an alternative form of distribution which are not available under the Program (such as annuities). No Delphi contributions are credited on any monies transferred to the Program. Such contributions made to the Program are designated as Unrestricted Regular Savings or Unrestricted Deferred Savings, as applicable.

#### **TRUST FUND**

The Trustee invests all your contributions on a semi-monthly basis and D-MS contributions are made on your behalf on a semi-monthly basis. By law, your contributions must be deposited with the Trustee as soon as they can reasonably be segregated from D-MS's general



assets, but no longer than 15 business days (plus extensions permitted by law) after the end of the month in which you would have received the amount of cash if you had not contributed to the Program. The Trustee accounts for all such amounts and earnings thereon.

#### **FORMATION OF CLASSES AND VESTING**

Classes under the Program are formed each calendar year. A class consists of all assets accumulated during a calendar year derived from your contributions, D-MS matching contributions, and all earnings on such contributions.

Assets derived from your contributions, D-MS matching contributions, and earnings thereon vest immediately on allocation to your account, except if you have less than three years of Credited Service, in which case, D-MS's matching contributions and related earnings thereon vest on January 1 following the calendar year in which a class is formed, or, if earlier, upon your attaining three years of Credited Service. Amounts transferred from the Eaton Corporation Share Purchase and Investment Plan and net earnings on those amounts shall be fully vested, regardless of how many years of Credited Service you have. Notwithstanding the above, all D-MS contributions vest on your 65th birthday. All assets in your account remain in the Program until you terminate employment with D-MS or withdraw the assets (see "Withdrawals and Distributions" for a more detailed discussion).

"Credited Service" means the years of service with D-MS or any other affiliate or subsidiary of Delphi beginning on your hire date or an anniversary of your hire date during which you were credited 750 or more hours of service. Credited Service includes your years with Eaton Corporation if you became a D-MS employee on March 30, 2001.

Amounts that are nonvested when you take a distribution (or, if earlier, when you have terminated employment and have five consecutive years with less than 375 hours of service in each year) are removed from your Program account and used to reduce subsequent D-MS contributions or to restore other rehired employees' accounts. If you take a distribution from this Program, are then rehired before you have five consecutive years with less than 375 hours of service in each year, and repay the portion of your distribution that was attributable to D-MS's contributions, you will have any nonvested amount that was removed from your account at the time of your distribution restored.

#### **INVESTMENT OF CONTRIBUTIONS**

The Trustee invests both D-MS and your individual contributions. The Trustee invests D-MS's entire matching contribution in the Delphi Common Stock Fund. D-MS contributions must remain invested in the Delphi Common Stock Fund during the period from January 1

through December 31 of the calendar year in which the class is formed. This one year period is referred to as the "Required Retention Period." One-half of your contributions up to 7% of eligible salary is required to be invested by the Trustee in the Delphi Common Stock Fund and must remain in this Fund during the Required Retention Period. The remainder of your contributions is invested in 10% increments, in the Program's investment options elected by you.

Your initial or automatic investment option elections remain in effect until you change them. You may change an investment option election for future contributions not required to be invested in the Delphi Common Stock Fund (referred to in this Prospectus as "discretionary contributions"), by an online exchange through the Program's Internet website at [www.401k.com](http://www.401k.com) or by calling the Investment Service Center at 1-877-389-2374. Any change in your investment option election is normally processed on the Business Day it is received by the Investment Service Center.

#### **YOUR RESPONSIBILITY FOR ELECTION OF INVESTMENT OPTIONS**

**YOU ARE SOLELY RESPONSIBLE FOR THE SELECTION OF YOUR INVESTMENT OPTIONS. D-MS, DELPHI, THE TRUSTEE, ANY APPOINTED FIDUCIARY, THE PROGRAM ADMINISTRATOR, THE INVESTMENT SERVICE CENTER, AND OTHER EMPLOYEES AND AGENTS OF D-MS AND DELPHI ARE NOT EMPOWERED TO ADVISE YOU AS TO THE MANNER IN WHICH YOUR INVESTMENTS SHOULD BE MADE OR ANY ALLOCATION OR REALLOCATION OF THOSE INVESTMENTS THAT MAY BE APPROPRIATE FOR YOU. YOU SHOULD NOT CONSTRUE THE FACT THAT AN INVESTMENT OPTION IS AVAILABLE FOR INVESTMENT UNDER THE PROGRAM AS A RECOMMENDATION FOR YOU TO INVEST IN THAT OPTION. YOU SHOULD NOTE THAT THE MARKET VALUE AND THE RATE OF RETURN ON EACH INVESTMENT OPTION FLUCTUATES OVER TIME AND IN VARYING DEGREES. ACCORDINGLY, THE PROCEEDS, IF ANY, YOU REALIZE FROM THESE INVESTMENTS DEPEND ON THE PREVAILING MARKET VALUE OF THE INVESTMENTS AT A PARTICULAR TIME, WHICH MAY BE MORE OR LESS THAN THE AMOUNT YOU INVESTED INITIALLY. THERE IS NO ASSURANCE THAT ANY OF THE INVESTMENT OPTIONS WILL ACHIEVE THEIR OBJECTIVES OR YOUR OBJECTIVES. YOU SHOULD NOTE THAT EACH INVESTMENT OPTION IS SUBJECT TO VARYING DEGREES OF RISK WHICH ARE DISCUSSED BELOW.**

#### **INFORMATION ABOUT YOUR INVESTMENT OPTIONS**

GM Investment Management, an indirect, wholly-owned subsidiary of General Motors Corporation and an SEC-registered investment advisor, advises D-MS in

developing the Program investment options and has overall responsibility for monitoring the investment options.

You have the ability to invest your savings through a specially designed investment option structure. Associated with this structure is a family of investment funds known as the Promark Funds which are managed by GM Investment Management or GM Trust Company, GMIMCo's trust company affiliate.

A significant feature of the Promark Funds is that the assets of the funds in the Program are commingled with the assets of the D-MS and other pension plans and, accordingly, the same investment advisors manage these assets.

**THE PROMARK FUNDS AND THE DELPHI COMPANY STOCK FUND ARE NOT MUTUAL FUNDS AND ARE NOT REGISTERED AS INVESTMENT COMPANIES WITH THE SECURITIES AND EXCHANGE COMMISSION. AN INVESTMENT IN THESE FUNDS IS NOT A BANK DEPOSIT AND IS NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY.**

The investment option structure below has been designed to simplify your decision making.

#### ***Structure of the Investment Options***

- Pathway One

Includes option choices you may want to consider if you are new to investing, unfamiliar with investment concepts, or looking for diversified investment choices, which require minimal decision-making by you.

- Pathway Two

Includes option choices you may want to consider if you have some knowledge of investing and asset allocation and you wish to select from a group of style-specific funds.

- Pathway Three

Includes option choices you may want to consider if you are an experienced investor who wishes to build a customized portfolio from a large selection of investment options and you have the time to select and actively monitor your portfolio.

#### ***Investment Terms You Should Know***

##### Investment Style

Equity fund managers, both U.S. and International, tend to pursue three major investment styles:

- *Value*

Value managers search for companies that they believe are overlooked or undervalued by the market and whose stock can be purchased at a price that the manager considers low relative to the company's business prospects.

- *Growth*

Growth managers typically seek to invest in companies that they believe have better-than-average potential to grow their revenues and earnings faster than the rest of the market, and therefore are willing to pay a higher price for the stock than they might otherwise.

- *Blend*

Blend portfolio managers use a combination of value and growth strategies to identify undervalued securities, companies generating above-average earnings growth to support growing dividends, and stocks that do not currently pay dividends but offer prospects for capital appreciation and future income.

##### Market Capitalization

Equity funds can also be described in terms of the market capitalization of the companies they hold in their portfolio. Market capitalization is a commonly used measure of the size and value of a company. A company's market capitalization or market value can be calculated by multiplying the current stock price per share by the number of outstanding shares.

- *Large Capitalization Funds*

Large Capitalization Funds generally invest in companies with market capitalizations greater than \$10 billion.

- *Mid Capitalization Funds*

Mid Capitalization Funds generally invest in companies with market capitalizations between \$1.5 billion and \$10 billion.

- *Small Capitalization Funds*

Small Capitalization Funds generally invest in companies with market capitalizations of less than \$1.5 billion.

##### Fixed Income Funds

Two important criteria in evaluating fixed income funds are: (1) the average credit quality of the fund's assets and (2) the interest rate risk (duration) of those assets.

- *Credit Quality*

Credit quality reflects a judgment (typically associated with a rating by a nationally recognized rating agency) of a borrower's ability to repay its loans and, therefore, its risk of not paying interest and/or repaying principal in a timely manner. Borrowers with higher credit quality ratings generally have less risk of non-timely payments than those with lower credit quality ratings.

- *Interest Rate Risk (Duration)*

Typically, when prevailing interest rates rise, the prices of fixed income securities fall. Conversely when interest rates decline fixed income security prices generally

rise. To help measure this effect, investment managers use a concept called duration. Duration is a measure of the price sensitivity of fixed income securities to changes in interest rates. Duration approximates the average timing or life of all the cash flows of a fixed income security. The prices of securities with shorter average lives tend to fluctuate less when interest rates change than securities with longer average lives.

#### **Risks You Should Be Aware Of**

**YOUR INVESTMENT RETURN IS DETERMINED BY CHANGES IN THE MARKET PRICES OF THE INVESTMENTS HELD BY A FUND AND THE REINVESTMENT OF THE INCOME EARNED ON THE FUND'S INVESTMENTS, AND IS REDUCED BY THE MANAGEMENT FEES AND OTHER EXPENSES CHARGED TO EACH FUND. THE VALUE OF THE UNDERLYING INVESTMENTS, AND THEREFORE THE VALUE OF A FUND MAY FLUCTUATE UP OR DOWN ON ANY GIVEN DAY. AS A RESULT, THE VALUE OF YOUR INVESTMENT IN A FUND WHEN REDEEMED MAY BE MORE OR LESS THAN ITS ORIGINAL COST. THERE CAN BE NO ASSURANCE THAT A FUND WILL ACHIEVE ITS INVESTMENT OBJECTIVE. ADDITIONALLY, A FUND MAY HAVE SUSTAINED GAINS OR LOSSES RECENTLY DUE TO MARKET VOLATILITY OR OTHER REASONS. ACCORDINGLY, PERFORMANCE FOR A FUND FOR DATES SUBSEQUENT TO THE DATE OF THE MOST RECENT QUARTERLY STATEMENT MAY BE DIFFERENT THAN THE PERFORMANCE INCLUDED IN THE MOST RECENT QUARTERLY STATEMENT. PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS. PLEASE VISIT [WWW.401K.COM](http://WWW.401K.COM) OR CALL 1-877-389-2374 FOR CURRENT PERFORMANCE INFORMATION.**

**BEFORE YOU PROCEED TO REVIEW THE INDIVIDUAL FUND DESCRIPTIONS, YOU ARE ENCOURAGED TO CAREFULLY READ THE FOLLOWING DESCRIPTIONS OF CERTAIN RISKS TO WHICH YOU MAY BE SUBJECT. SOME RISKS ARE GENERALIZED WHILE OTHERS ARE SPECIFIC TO THE TYPE OF FUND(S) YOU CHOOSE FOR YOUR INVESTMENTS. FOR ADDITIONAL INFORMATION REGARDING THE RISKS OF INVESTMENTS IN THE MUTUAL FUNDS THAT ARE AVAILABLE AS INVESTMENT OPTIONS IN THE PROGRAM, YOU SHOULD ALSO REVIEW THE APPLICABLE INDIVIDUAL MUTUAL FUND'S PROSPECTUS, WHICH CAN BE OBTAINED FROM THE INVESTMENT SERVICE CENTER BY ACCESSING THE PROGRAM'S INTERNET WEBSITE AT [WWW.401K.COM](http://WWW.401K.COM) OR CALLING 1-877-389-2374.**

#### **Risks Associated with U.S. Equity Investments**

The value of equity securities may fluctuate in response to issuer, market, political, economic and other conditions and these fluctuations may be significant. These developments can affect an issuer, a market sector or

region, or the entire market. Different equity securities can react differently to these conditions. Securities issued by mid and small cap companies may be more vulnerable than securities issued by U.S. companies with larger capitalizations to adverse business and economic developments due to limited product lines, markets, financial resources or liquidity and may therefore be more susceptible to fluctuations in price.

#### **Risks Associated with International and Emerging Markets Equity Fund Investments**

In addition to those risks mentioned above, investments in securities of non-U.S. issuers and in securities denominated in foreign currencies involve additional risks. Changes in foreign currency exchange rates affect the value of investments denominated in foreign currencies. Additionally, securities of non-U.S. issuers could be affected by political and financial instability abroad and may be more volatile than U.S. investments. In addition, there is the possibility of exchange control regulations, expropriation, confiscatory taxation, or limitations on the removal of securities or other assets from foreign countries. Further, many non-U.S. financial markets may be less liquid and/or may be less developed in terms of government regulation and supervision of exchanges. Many non-U.S. companies are not subject to uniform accounting, auditing and financial reporting standards and practices or regulatory requirements comparable to those applicable to U.S. companies. Some or substantially all of a fund's assets may be invested in emerging markets countries that have greater political and financial instability relative to the U.S. and other developed countries.

#### **Risks Associated with U.S. Fixed Income and Real Estate Fund Investments**

For funds investing in fixed-income instruments, specific risks include the credit quality, the interest rate (duration) and the mortgage prepayment risk of fixed-income securities. As the credit quality of a fixed-income security decreases, generally the risk you assume increases. For duration, a cash-flow weighted measure of how long it takes for you to be paid back by the borrower, the longer the duration the more interest rate risk you are assuming. Mortgage prepayment risk is the risk that a mortgage will be prepaid (or will not be prepaid) when interest rates fall below the rate paid on the mortgage (or rise above the rate paid on the mortgage), changing the cash flows of a portfolio.

A fund that invests in non-investment grade fixed income securities takes on a significantly greater level of credit risk, price volatility and liquidity risk than a fund that invests in high-quality fixed income securities. High-quality fixed income securities include fixed income securities rated investment grade (Baa/BBB or above) by one or more nationally recognized rating agencies, or if unrated by the nationally recognized rating agencies,

deemed to have similar risk characteristics. High yield securities are those rated below Baa3/BBB- by one or more nationally recognized rating agencies or, if unrated by the same nationally recognized rating agencies, are deemed to have similar risk characteristics. Bonds that are not rated investment grade generally are considered to pose greater investment risks than bonds that are rated investment grade. Lower quality high yield bonds may fluctuate in value more than higher quality bonds and during periods of market volatility may be more difficult to sell at the desired time and price.

#### **Risks Associated with Investments in Public Real Estate Companies**

The real estate industry is highly sensitive to economic downturns. The value of securities of issuers in the real estate industry can be affected by changes in real estate values and rental income, property taxes, interest rates, and tax and regulatory requirements. In addition, as is the case with all equity securities, the value of these securities may fluctuate in response to issuer, market, political, economic and other conditions and these fluctuations may be significant. These developments can affect an issuer, a market sector or region, or the entire market. Different equity securities can react differently to these conditions. Securities issued by mid and small cap companies may be more vulnerable than securities issued by U.S. companies with larger capitalizations to adverse business and economic developments due to limited diversification, markets, financial resources or liquidity and may therefore be more susceptible to fluctuations in price.

#### **Risks Associated with Company Stock Fund Investments**

The unit price of the Delphi Common Stock Fund depends on the price of Delphi Common Stock (and the other assets held for liquidity purposes), and may fluctuate up or down on any given day, as is the case for all equity securities. The unit price of this fund is likely to fluctuate more than the unit price of an investment option consisting of a diversified portfolio of stocks of several companies. The non-diversified structure of the Delphi Common Stock Fund together with the fund's need to maintain sufficient liquidity to meet redemptions and fluctuating market prices throughout each day may limit the extent to which the performance of the Delphi Common Stock Fund will track the performance of Delphi common stock.

#### **Risks Associated with Securities Lending**

The Promark Funds, from time to time, may lend securities from their portfolios to brokers, dealers and other financial institutions. These loans must be fully collateralized and made only to borrowers deemed by the trustee or custodian with responsibility for the loans to be of good standing and when, in the trustee's or custodian's

judgment, the income to be earned from the loan justifies the attendant risks. One effect of securities lending is that a fund's ability to exercise a stockholder voting right may be lost. Securities lending involves certain risks, including the risk of default by the borrower. The borrower may become insolvent and default on the loan and the lending fund may not be able to recover securities lent and would bear any risk of loss in the event the value of the collateral was insufficient to cover the cost of replacing the securities lent. Under certain but not all circumstances, however, the lending agent would be contractually obligated to indemnify the lending fund for any shortfall amount.

#### **Risks Associated with Currency Hedging**

Certain funds may invest all or a portion of their assets in securities denominated in foreign currencies. The value of these securities may fluctuate based on changes in exchange rates between the U.S. dollar and the applicable foreign currency. These funds may, but are not required to, engage in currency transactions to seek to hedge against the possible risk of loss from the decline in the value of the currencies in which the fund's investments are denominated against the U.S. dollar ("currency risk"). These funds may employ a variety of investments and techniques to hedge against currency risk, including spot and forward foreign exchange transactions and currency swaps, listed or over-the-counter options on currencies, currency futures and options on currency futures. There is no assurance that such hedging transactions will be effective. See "Risks Associated with Use of Derivatives" for a further discussion of the risks of investing in derivative instruments.

#### **Risks Associated with the Use of Derivatives**

Certain of the Promark Funds may invest in futures, options on futures, swaps and foreign currency forwards for hedging, managing risks, and/or gaining market exposure. With respect to futures and options on futures, the Commodity Futures Trading Commission (the "CFTC") considers certain investment pools which utilize futures and options to be commodity pools. Except as described in the following sentence, the funds' investments in futures and options on futures for any purpose other than hedging are limited to situations permitted by CFTC Rule 4.5, which limits the amount of margin and premiums which can be used for non-hedging purposes by a commodity pool to 5% of the market value of the relevant pool's total assets. The funds may, instead of relying on Rule 4.5, comply with such different standard as may be established by the CFTC.

Futures, options on futures, swaps and foreign currency forward contracts are examples of "derivatives," which are instruments whose performance is derived, in part, from the performance of an underlying security, currency, index or interest rate. Derivatives can be volatile and the



market for many such instruments is or can become illiquid, which may impact their prices radically. Utilizing these instruments at inopportune times may lower investment returns or result in a loss significantly greater than the investment cost of the derivative instrument itself. There is a risk that the use of derivatives for hedging or risk management purposes may not be successful for various reasons, including unexpected changes in the value of the derivatives that are not matched by opposite changes in the value of the balance of the fund's portfolio.

#### **Risks Associated with Borrowing by the Funds**

All of the funds in the Program may borrow to meet temporary liquidity or emergency needs. For the Delphi Common Stock Fund, this may involve borrowing from the Promark Funds or loans from Delphi or D-MS (at their sole discretion). The fund may pledge securities as collateral for a loan. If the fund's investments decline in value, the fund could be subject to a "collateral call," pursuant to which the fund must deposit additional collateral with the lender or the lender may have the right to liquidate the pledged assets.

Alternatively, the borrowing fund may default on a loan, which may adversely impact the net asset (or unit) value of the lending fund.

For the Fidelity and other mutual funds, each fund's prospectus describes what actions may be taken.

#### **Risks Associated with the Program**

In addition to understanding the various investment risks described above, you should be aware of some other circumstances that could cause your benefits under the Program to be suspended or lost.

Some court orders, such as divorce decrees, may require that a percentage of your account be paid to a spouse, former spouse, child, or dependent. If the Recordkeeper determines that the order is a "Qualified Domestic Relations Order," the Program will be required to comply with the order. The Recordkeeper will attempt to notify you if such a court order affects your account. The Program permits the spouse, former spouse, child, or dependent to receive a distribution from the Program as soon as administratively possible after the order is determined to be a Qualified Domestic Relations Order. You may obtain a copy of the Program's Qualified Domestic Relations Order procedures from the Recordkeeper at no charge.

If you take a distribution or withdrawal from the Program, you will receive only the vested portion of any contributions D-MS made and investment earnings attributable to those contributions. See the "Formation of Classes and Vesting" portion of this prospectus for a description of what portion of your account is vested.

#### **Expenses**

All the funds listed incur management fees and other expenses related to their daily operations. These fees and expenses paid out of the assets of a fund (whether or not the fund is a mutual fund) are reflected in the funds' net asset values. These fees and expenses are neither billed directly to you nor deducted from your individual account. Total annual fund management fees and other expenses, when expressed as a percentage of the fund's assets, are referred to as the fund's operating expense ratio. For a given level of gross investment return, the fund with the lowest operating expense ratio would provide you with the highest net return.

The operating expense ratio for each fund offered as an option in the Program can be obtained by calling the Investment Service Center at 1-877-389-2374.

The Plan Sponsor currently bears all or a portion of the fees and expenses for certain of the Promark Funds and the Delphi Common Stock Fund. Accordingly, the Program's quarterly Performance Summary currently lists the operating expense ratio for these funds as an amount less than the actual operating expenses of the fund. If the Plan Sponsor bears all of the fees and expenses of a fund, the operating expense ratio is zero. There is no assurance that the Plan Sponsor will continue to bear all or any portion of these costs in the future. If the funds were required to bear all or a greater portion of these fees and expenses, the unit value for these funds would be reduced by the amount of actual operating expenses charged to the fund.

**DESCRIPTION OF INVESTMENT OPTIONS**

Descriptions of each of the investment options in the Program are organized by Pathway category and are listed under this section of the Prospectus. A detailed description of the Fidelity and other mutual funds is included in the individual mutual fund's prospectus, which can be obtained by accessing the Program's Internet website at [www.401k.com](http://www.401k.com) or calling the Investment Service Center at 1-877-389-2374. **Information contained in this section is current as of April 30, 2003, unless otherwise indicated. No representation is made as to the accuracy of this information as of any date other than April 30, 2003, or any other date indicated.**

**PATHWAY ONE**

*These funds are designed to be single choice options that produce diversified portfolios. You may wish to consider these options if you are new to investing, are unfamiliar with investment concepts or are looking for diversified investment choices which require minimal decision making by you. You can select one of the Promark Target Portfolios based on your specific time horizon and risk tolerance or, alternatively, one of Fidelity's Freedom Funds based on your estimated year of retirement. For each of the Pathway One options described below, the Fund Manager selects the component Funds contained within the option and determines the asset mix of the option. Performance return information on each fund is provided with each quarterly account statement you receive. Benchmark information presented is current as of April 30, 2003. The benchmarks used for certain Promark Funds have been changed or modified from time to time since inception to reflect changes in the investment strategy relating to the specific fund. Share price and return will vary. Each of these funds will indirectly bear its pro-rata portion of the fees and expenses of the component funds in addition to any fees and expenses of the fund itself.*

**PROMARK TARGET PORTFOLIOS**

- Promark Target Portfolio: Income
- Promark Target Portfolio: Conservative Growth
- Promark Target Portfolio: Moderate Growth
- Promark Target Portfolio: Dynamic Growth

**FIDELITY FREEDOM FUNDS**

- Fidelity Freedom Income Fund\*
- Fidelity Freedom 2000 Fund\*
- Fidelity Freedom 2010 Fund\*
- Fidelity Freedom 2020 Fund\*
- Fidelity Freedom 2030 Fund\*
- Fidelity Freedom 2040 Fund<sup>SM</sup>

**Promark Target Portfolio: Income (22568)**

**Objective:** Seeks current income and limited growth of capital.

**Category:** Lifestyle (For purposes of this Prospectus, the "Lifestyle" category is a single choice option that produces a diversified portfolio which attempts to meet the Fund's objective)

**Benchmark:** Customized benchmark (as described below)

**Investment Strategy:**

- The Fund invests directly in the shares of other Promark Funds to implement an asset allocation strategy that is designed to provide predominantly current income and limited growth of capital to investors with a short-term (less than 5 years) investment time horizon and/or a low tolerance for risk.
- The asset classes of the Fund may include U.S. large cap stocks, U.S. small cap stocks, international stocks, U.S. high quality bonds, U.S. high yield bonds, and cash.
- The Fund has a current target allocation of 20% for stocks and 80% for bonds. The Fund will be rebalanced at least annually to the target allocation.

- The goal of the Fund is to outperform a customized benchmark, consisting of a composite of the representative benchmarks of the component Promark Funds, weighted in accordance with the Fund's target asset allocation of 20% for stocks and 80% for bonds.
- GM Trust Company manages the Fund and has selected a target allocation which as of April 30, 2003 included the following component Promark Funds and weightings: 15% Large Cap Blend Fund, 1% Small Cap Value Fund, 1% Small Cap Growth Fund, 3% International Equity Fund, 76% High Quality Bond Fund and 4% High Yield Bond Fund. The component funds and their corresponding target allocations may be changed from time to time. Each of the component Promark Funds has its own investment policies and guidelines.

**Investment Advisors:** See component Promark Funds.

**Promark Target Portfolio: Conservative Growth (22569)**

**Objective:** Seeks current income and low to moderate growth of capital.

**Category:** Lifestyle

**Benchmark:** Customized benchmark (as described below)



**Investment Strategy:**

- The Fund invests directly in the shares of other Promark Funds to implement an asset allocation strategy that is designed to provide current income and low to moderate growth of capital to investors with an intermediate-term (5-10 years) investment time horizon and/or a low to moderate tolerance for risk.
- The asset classes of the Fund may include U.S. large cap stocks, U.S. small cap stocks, international stocks, U.S. high quality bonds, U.S. high yield bonds, and cash.
- The Fund has a current target allocation of 40% for stocks and 60% for bonds. The Fund will be rebalanced at least annually to the target allocation.
- The goal of the Fund is to outperform a customized benchmark, consisting of a composite of the representative benchmarks of the component Promark Funds, weighted in accordance with the Fund's target asset allocation of 40% for stocks and 60% for bonds.
- GM Trust Company manages the Fund and has selected a target allocation which as of April 30, 2003 included the following component Promark Funds and weightings: 26% Large Cap Blend Fund, 2% Small Cap Value Fund, 2% Small Cap Growth Fund, 10% International Equity Fund, 54% High Quality Bond Fund, and 6% High Yield Bond Fund. The component funds and their corresponding target allocations may be changed from time to time. Each of the component Promark Funds has its own investment policies and guidelines.

**Investment Advisors:** See component Promark Funds

**Promark Target Portfolio: Moderate Growth (22571)**

**Objective:** Seeks growth of capital and a moderate level of current income.

**Category:** Lifestyle

**Benchmark:** Customized benchmark (as described below)

**Investment Strategy:**

- The Fund invests directly in the shares of other Promark Funds to implement an asset allocation strategy that is designed to provide growth of capital and a moderate level of current income to investors with a moderately long-term (10-15 years) investment time horizon and/or a moderate tolerance for risk.
- The asset classes of the Fund may include U.S. large cap stocks, U.S. small cap stocks, international stocks, U.S. high quality bonds, U.S. high yield bonds, and cash.
- The Fund has a current target allocation of 60% for stocks and 40% for bonds. The Fund will be rebalanced at least annually to the target allocation.

- The goal of the Fund is to outperform a customized benchmark, consisting of a composite of the representative benchmarks of the component Promark Funds, weighted in accordance with the Fund's target asset allocation of 60% for stocks and 40% for bonds.
- GM Trust Company manages the Fund and has selected a target allocation which as of April 30, 2003 included the following component Promark Funds and weightings: 40% Large Cap Blend Fund, 2.5% Small Cap Value Fund, 2.5% Small Cap Growth Fund, 15% International Equity Fund, 32% High Quality Bond Fund, and 8% High Yield Bond Fund. The component funds and their corresponding target allocations may be changed from time to time. Each of the component Promark Funds has its own investment policies and guidelines.

**Investment Advisors:** See component Promark Funds

**Promark Target Portfolio: Dynamic Growth (22572)**

**Objective:** Seeks growth of capital and limited current income.

**Category:** Lifestyle

**Benchmark:** Customized benchmark (as described below)

**Investment Strategy:**

- The Fund invests directly in the shares of other Promark Funds to implement an asset allocation strategy that is designed to provide growth of capital and limited current income to investors with a long-term (more than 15 years) investment time horizon and/or a high tolerance for risk.
- The asset classes of the Fund may include U.S. large cap stocks, U.S. small cap stocks, international stocks, U.S. high quality bonds, U.S. high yield bonds, and cash.
- The Fund has a current target allocation of 80% for stocks and 20% for bonds. The Fund will be rebalanced at least annually to the target allocation.
- The goal of the Fund is to outperform a customized benchmark, consisting of a composite of the representative benchmarks of the component Promark Funds, weighted in accordance with the Fund's target asset allocation of 80% for stocks and 20% for bonds.
- GM Trust Company manages the Fund and has selected a target allocation which as of April 30, 2003 included the following component Promark Funds and weightings: 52% Large Cap Blend Fund, 4% Small Cap Value Fund, 4% Small Cap Growth Fund, 20% International Equity Fund, 11% High Quality Bond Fund, and 9% High Yield Bond Fund. The component funds and their corre-

sponding target allocations may be changed from time to time. Each of the component Promark Funds has its own investment policies and guidelines.

**Investment Advisors:** See component Promark Funds

***Brief Descriptions of Each Fidelity Freedom Fund***

Descriptions in this Prospectus of the Fidelity Freedom Funds available to you under the Program are summary in nature and have been provided by Fidelity. The prospectuses for these funds can be obtained free of charge from the Investment Service Center by accessing the Program's website at [www.401k.com](http://www.401k.com) or by calling 1-877-389-2374. You are encouraged to obtain and read the fund prospectuses for more information.

**Fidelity Freedom Income Fund® (00369)**

Seeks to provide high current income and, as a secondary objective, some capital appreciation for those already in retirement. The Fund invests approximately 20% in Fidelity stock mutual funds, 40% in Fidelity bond mutual funds, and 40% in Fidelity money market mutual funds. Share price and return will vary. The percentages represent anticipated target asset allocation at September 30, 2003. Strategic Advisers, Inc., a subsidiary of FMR Corp., manages the Fidelity Freedom Funds.\*

**Fidelity Freedom 2000 Fund® (00370)**

Seeks to provide high total returns for those planning to retire around 2000. The Fund invests approximately 21% in Fidelity stock mutual funds, 42% in Fidelity bond mutual funds and 37% in Fidelity money market mutual funds. The mix of underlying funds will gradually become more conservative over time. Share price and return will vary. The percentages represent anticipated target asset allocation at September 30, 2003. Strategic Advisers, Inc., a subsidiary of FMR Corp., manages the Fidelity Freedom Funds.\*

**Fidelity Freedom 2010 Fund® (00371)**

Seeks to provide high total returns for those planning to retire around 2010. The Fund invests approximately 45% in Fidelity stock mutual funds, 45% in Fidelity bond mutual funds and 10% in Fidelity money market mutual funds. The mix of underlying funds will gradually become more conservative over time. Share price and return will vary. The percentages represent anticipated target asset allocation at September 30, 2003. Strategic Advisers, Inc., a subsidiary of FMR Corp., manages the Fidelity Freedom Funds.\*

**Fidelity Freedom 2020 Fund® (00372)**

Seeks to provide high total returns for those planning to retire around 2020. The Fund invests approximately 70% in Fidelity stock mutual funds and 30% in Fidelity bond mutual funds. The mix of underlying funds will gradually become more conservative over time. Share price and return will vary. The percentages represent anticipated target asset allocation at September 30, 2003. Strategic Advisers, Inc., a subsidiary of FMR Corp., manages the Fidelity Freedom Funds.\*

**Fidelity Freedom 2030 Fund® (00373)**

Seeks to provide high total returns for those planning to retire around 2030. The Fund invests approximately 82% in Fidelity stock mutual funds and 18% in Fidelity bond mutual funds. The mix of underlying funds will gradually become more conservative over time. Share price and return will vary. The percentages represent anticipated target asset allocation at September 30, 2003. Strategic Advisers, Inc., a subsidiary of FMR Corp., manages the Fidelity Freedom Funds.\*

**Fidelity Freedom 2040 Fund™ (00718)**

Seeks to provide high total returns for those planning to retire around 2040. The Fund invests approximately 90% in Fidelity stock mutual funds and 10% in Fidelity bond mutual funds. The mix of underlying funds will gradually become more conservative over time. Share price and return will vary. The percentages represent anticipated target asset allocation at September 30, 2003. Strategic Advisers, Inc., a subsidiary of FMR Corp., manages the Fidelity Freedom Funds.\*

## PATHWAY TWO

*Requires a moderate level of involvement in constructing your total portfolio. You may wish to consider these options if you have some knowledge of investing and asset allocation and you wish to select from a group of style-specific funds. After you determine your preferred asset mix and review the relevant Fund descriptions, you may choose from the following funds to design your investment portfolio. Performance return information on each Fund is provided with each quarterly account statement you receive. Benchmark information presented is current as of April 30, 2003. The benchmarks used for certain funds have been changed or modified from time to time since inception to reflect changes in the investment strategy relating to the specific fund. Share price and return will fluctuate.*

U.S. EQUITY FUNDS		U.S. FIXED INCOME FUNDS	
<ul style="list-style-type: none"><li>• Promark Large Cap Blend Fund</li><li>• Promark Large Cap Value Fund</li><li>• Promark Large Cap Growth Fund</li><li>• Promark Large Cap Index Fund</li><li>• Promark Social Equity Fund</li><li>• Promark Mid Cap Blend Fund</li><li>• Promark Small Cap Value Fund</li><li>• Promark Small Cap Growth Fund</li></ul>		<ul style="list-style-type: none"><li>• Promark Income Fund</li><li>• Promark High Quality Bond Fund</li><li>• Promark High Yield Bond Fund</li></ul>	
INTERNATIONAL EQUITY FUNDS		SPECIALTY/SECTOR FUNDS	
<ul style="list-style-type: none"><li>• Promark International Equity Fund</li><li>• Promark Emerging Markets Equity Fund</li></ul>		<ul style="list-style-type: none"><li>• Promark Balanced Fund</li><li>• Promark Real Estate Securities Fund</li></ul>	
COMPANY STOCK FUNDS			
<ul style="list-style-type: none"><li>• Delphi Common Stock Fund</li></ul>			

Each of the Promark Funds in Pathway Two is either style-specific (e.g., Large Cap Growth Fund), sector-specific (e.g., Real Estate Securities Fund), or a hybrid portfolio of equity/fixed income investments (e.g., Balanced Fund). The investment advisor(s) for each Promark Fund is (are) listed in the individual fund's description below. GM Trust Company or GM Investment Management retains the right to replace individual investment advisors for the Promark Funds at any time.

### **Promark Large Cap Blend Fund (22558)**

**Objective:** Seeks long-term growth through capital appreciation and a moderate level of current income

**Category:** U.S. Large Cap Blend

**Benchmark:** Russell 1000 Index

#### **Investment Strategy:**

- The Fund invests primarily in large-sized companies with market capitalizations similar to the market capitalizations of companies listed in the Russell 1000 Index<sup>1</sup> which are believed by the Fund's investment advisors to be both reasonably priced and offer earnings and dividend growth potential or prospects for capital appreciation. Effective July 1, 2002, the Fund was restructured to permit it to invest both in

large company stocks and directly in the shares of the Promark Large Cap Growth Fund, Promark Large Cap Value Fund and Promark Mid Cap Blend Fund. The percentage of Fund assets invested in the shares of other Promark Funds will vary from time to time.

- The goal of the Fund is to provide a total return greater than the total return of the large capitalization component of the U.S. stock market as measured by the Russell 1000 Index while maintaining volatility and diversification similar to the Index.
- The Fund intends to be fully invested, primarily in U.S. equity investments, at all times and seeks to achieve its objective by using fundamental analysis and quantitative investment models.
- The Fund is managed by GM Trust Company. As of April 30, 2003, the assets of the Fund were allocated among five investment advisors, which use a combination of both value and growth approaches.

**Investment Advisors:** Barclays Global Investors, Batterymarch Financial Management, Chicago Equity Partners, Franklin Portfolio Associates and GM Investment Management

In addition, as of April 30, 2003, the percentage of the Fund's assets invested in the Promark Large Cap Growth

<sup>1</sup> The Russell 1000 Index measures the performance in the 1,000 largest companies of the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the average market capitalization of companies listed in the Russell 1000 Index was approximately \$10.3 billion and the median market capitalization was approximately \$3.2 billion. The size of companies in the Russell 1000 Index changes with market conditions and the composition of the index.

Fund, Promark Large Cap Value Fund, and Promark Mid Cap Blend Fund was approximately 11.5%, 11.1%, and 7.6%, respectively.

**Promark Large Cap Value Fund (22560)**

**Objective:** Seeks long-term growth and current income

**Category:** U.S. Large Cap Value

**Benchmark:** Russell 1000 Value Index

**Investment Strategy:**

- The Fund invests primarily in large companies with market capitalizations similar to the market capitalizations of companies listed in the Russell 1000 Value Index<sup>2</sup> that have prices that the Fund's investment advisors believe to be low relative to fundamental characteristics such as earnings or book value.
- The Fund's goal is to provide a total return greater than the total return of the large cap value component of the U.S. stock market as measured by the Russell 1000 Value Index while maintaining volatility and diversification similar to the Index.
- The Fund intends to be fully invested, primarily in U.S. equity investments, at all times and seeks to achieve its objective by using fundamental analysis and quantitative investment models.
- The Fund is managed by GM Trust Company. As of April 30, 2003, the assets of the Fund were allocated among four investment advisors.

**Investment Advisors:** Alliance Capital Management, GM Investment Management, LSV Asset Management and TCW Asset Management

**Promark Large Cap Growth Fund (22559)**

**Objective:** Seeks long-term growth through capital appreciation

**Category:** U.S. Large Cap Growth

**Benchmark:** Russell 1000 Growth Index

**Investment Strategy:**

- The Fund invests primarily in large companies with market capitalizations similar to the market capitalizations of companies listed in the Russell 1000 Growth Index<sup>3</sup> that the Fund's investment advisors believe to have above-average growth potential.

- The goal of the Fund is to provide a total return greater than the total return of the large cap growth component of the U.S. stock market as measured by the Russell 1000 Growth Index while maintaining volatility and diversification similar to the Index.
- The Fund intends to be fully invested, primarily in U.S. equity investments, at all times and seeks to achieve its objective by using fundamental analysis and quantitative investment models.
- The Fund is managed by GM Trust Company. As of April 30, 2003, the assets of the Fund were allocated among five investment advisors.

**Investment Advisors:** Marsico Capital Management, Sands Capital Management, State Street Bank and Trust Company, TCW Asset Management and Wellington Management

**Promark Large Cap Index Fund (22556)**

**Objective:** Seeks long-term growth through capital appreciation

**Category:** U.S. Large Cap Blend

**Benchmark:** Standard & Poor's 500 Index\*

**Investment Strategy:**

- The assets allocated to this investment option are invested in a fund comprised primarily of all of the common stocks that constitute the S&P 500\* Index.<sup>4</sup>
- The weightings of stocks in the S&P 500\* Index are based on each stock's relative total market value. As of April 30, 2003, approximately 56% of the Index was composed of stocks of the 50 largest companies in the S&P 500\* Index.
- The goal of the Fund is to provide investment results that correspond to the aggregate price and dividend performance of the securities in the S&P 500\* Index.
- GM Investment Management appointed State Street Bank and Trust Company to act as investment manager for these assets. These assets are invested in a commingled fund maintained by State Street Bank and Trust Company.

<sup>2</sup> The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. As of the latest reconstitution, the average market capitalization of companies listed in the Russell 1000 Value Index was approximately \$8.9 billion and the median market capitalization was approximately \$3 billion. The size of companies in the Russell 1000 Value Index changes with market conditions and the composition of the index.

<sup>3</sup> The Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. As of the latest reconstitution, the average market capitalization of companies listed in the Russell 1000 Growth Index was approximately \$11.9 billion and the median market capitalization was approximately \$3.2 billion. The size of companies in the Russell 1000 Growth Index changes with market conditions and the composition of the index.

<sup>4</sup> Standard & Poor's 500 Index (S&P 500), a registered trademark of The McGraw Hill Companies, Inc., is a widely-recognized unmanaged index of 500 U.S. common stock prices. Index performance includes the reinvestment of dividends. The S&P 500\* Index represented approximately 80% of the market value of all U.S. common stocks listed on the New York Stock Exchange as of April 30, 2003.



**Promark Social Equity Fund (22570)**

**Objective:** Seeks long-term sustainable growth through capital appreciation, while adhering to specific social criteria.

**Category:** U.S. Large Cap Growth

**Benchmark:** Standard & Poor's 500 Index\*

**Investment Strategy:**

- The assets allocated to this investment option are invested in a fund comprised primarily of U.S. large-sized companies selected through an active management strategy. The investment process is applied across a universe of approximately 2,200 securities. The Fund will seek to purchase and hold only securities that the Fund's investment advisor believes meet specific social criteria.
- The Fund's goal is to provide investment results that correspond to (or exceed) the aggregate price and dividend performance of the securities in the S&P 500® Index.
- The Fund seeks to achieve its objective by using both fundamental analysis and quantitative investment models.
- The Fund's social screening criteria seek to exclude the following companies: manufacturers of military weapons, including nuclear, biological and chemical; manufacturers of alcohol and tobacco products; manufacturers of gambling devices and operators of casino; and companies with a history of causing substantial damage to the environment. The Fund also seeks to invest in companies promoting certain types of socially-oriented activities.
- GM Investment Management appointed State Street Bank and Trust Company to act as investment manager for these assets. These assets are invested in a commingled fund maintained by State Street Bank and Trust Company.

**Promark Mid Cap Blend Fund (22561)**

**Objective:** Seeks long-term growth through capital appreciation and a moderate level of current income

**Category:** U.S. Mid Cap Blend

**Benchmark:** Russell Midcap Index

**Investment Strategy:**

- The Fund invests primarily in mid-sized companies with market capitalizations similar to the market capitalizations of companies listed in the Russell Midcap

Index<sup>5</sup> that the Fund's investment advisors believe to be reasonably priced and to offer earnings and dividend growth potential or prospects of capital appreciation.

- The Fund's goal is to provide a total return greater than the total return of the mid cap component of the U.S. stock market as measured by the Russell Midcap Index, while maintaining volatility and diversification similar to the Index.
- The Fund intends to be fully invested, primarily in U.S. equity investments, at all times and seeks to achieve its objective by using both fundamental security valuation methodologies and quantitative investment models.
- The Fund is managed by GM Trust Company. As of April 30, 2003, the assets of the Fund were allocated among six investment advisors.

**Investment Advisors:** Aronson & Johnson & Ortiz, Artisan Partners, Pzena Investment Management, Rice Hall James Associates, Southeastern Asset Management and Turner Investment Management

**Promark Small Cap Value Fund (22687)**

**Objective:** Seeks long-term growth and current income

**Category:** U.S. Small Cap Value

**Benchmark:** Russell 2000 Value Index

**Investment Strategy:**

- The Fund invests primarily in small-sized companies with market capitalizations similar to the market capitalizations of companies listed in the Russell 2000 Value Index<sup>6</sup> that have prices that the Fund's investment advisors believe to be low relative to fundamental characteristics such as earnings, book value, or cash flow.
- The Fund's goal is to provide a total return greater than the total return of the small cap value component of the U.S. stock market as measured by the Russell 2000 Value Index, while maintaining volatility and diversification similar to the Index.
- The Fund intends to be fully invested, primarily in U.S. equity investments, at all times and seeks to achieve its objective by using both fundamental security valuation methodologies and quantitative investment models.
- The Fund is managed by GM Trust Company. As of April 30, 2003, the assets of the Fund were allocated among three investment advisors.

<sup>5</sup> Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represents approximately 26% of the total market capitalization of the Russell 1000 Index. As of the latest reconstitution, the average market capitalization of companies listed in the Russell Midcap Index was approximately \$3.4 billion and the median market capitalization listed in the index was approximately \$2.5 billion. The size of companies in the Russell Midcap Index changes with market conditions and the composition of the index.

<sup>6</sup> The Russell 2000 Value Index measures the performance of those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values. As of the latest reconstitution, the average market capitalization of companies listed in the Russell 2000 Value Index was approximately \$470 million and the median market capitalization was approximately \$380 million. The size of companies in the Russell 2000 Value Index changes with market conditions and the composition of the index.

**Investment Advisors:** Barclays Global Investors, Franklin Portfolio Associates, and GM Investment Management

**Promark Small Cap Growth Fund (22562)**

**Objective:** Seeks long-term growth through capital appreciation

**Category:** U.S. Small Cap Growth

**Benchmark:** Russell 2000 Growth Index

**Investment Strategy:**

- The Fund invests primarily in small-sized companies with market capitalizations similar to the market capitalizations of companies listed in the Russell 2000 Growth Index<sup>7</sup> which the Fund's investment advisors believe to have characteristics such as superior growth records, market leadership in their industries and positive cash flow allowing for future growth. The Fund also invests in companies that the Fund's investment advisors believe are in an early stage or transitional point in their development and have demonstrated or have the potential for above average capital growth.
- The Fund's goal is to provide a total return greater than the total return of the small cap growth component of the U.S. stock market as measured by the Russell 2000 Growth Index while maintaining volatility and diversification similar to the Index.
- The Fund intends to be fully invested, primarily in U.S. equity investments, at all times and seeks to achieve its objective by using both fundamental analysis and quantitative investment models.
- The Fund is managed by GM Trust Company. As of April 30, 2003, the assets of the Fund were allocated among six investment advisors.

**Investment Advisors:** Brown Advisory Incorporated, Frontier Capital Management, Geewax Terker & Company, GM Investment Management, Paradigm Asset Management and Westpeak Global Advisors

**Promark Income Fund (22557)**

**Objective:** Seeks to provide income consistent with preservation of capital

**Category:** U.S. High Quality Fixed Income

**Benchmark:** Not applicable

**Investment Strategy:**

- The Fund invests primarily in contracts described below issued by highly rated insurance companies and various fixed-income securities to which certain of these contracts relate. The Fund also invests in high quality, short-term fixed income securities to provide liquidity.
- The goal of the Fund is to provide a predictable income return while seeking to preserve capital. There can be no assurance that this goal will be achieved.
- GM Investment Management manages the Fund's assets and invests the majority of the assets in a commingled fund managed by GM Trust Company.

The Fund invests primarily in U.S. investment grade corporate bonds, U.S. government/agency bonds, mortgage and other asset-backed securities, U.S. below-investment grade corporate bonds, and other fixed income securities held by the Fund (rather than a contract issuer) coupled with negotiated contracts ("Wrap Contracts") issued by highly rated insurance companies. The Wrap Contracts contain general obligations of the issuer to pay under certain circumstances the amount, if any, by which the market value of the wrapped assets is less than the Fund's invested capital therein, including a specified rate of return related to the investment performance of these assets. Wrapped assets exclude excess impaired securi-

***Additional Information Specific to the Promark Income Fund***

Insurance company issuers of the Fund's contracts are required by the Fund Manager to have a Moody's Investors Service ("Moody's") rating of at least Aa3 or higher at the time of contract issuance. Moody's rating are displayed in the table below. The short-term portfolio is not backed by the Fund's contracts and may fluctuate in value.

**MOODY'S RATING TABLE**

Moody's designates the four highest of its nine insurance financial strength rating categories as:

- Aaa - "Exceptional Financial Security"
- Aa (comprised of Aa1, Aa2, Aa3) - "Excellent Financial Security"
- A (comprised of A1, A2, A3) - "Good Financial Security"
- Baa (comprised of Baa1, Baa2, Baa3) - "Adequate Financial Security"
- Together, Aaa, Aa, A, and Baa rated firms are considered "Strong Companies" by Moody's
- Moody's rating symbols for insurance financial strength ratings are identical to the long-term debt ratings of bonds.

<sup>7</sup> The Russell 2000 Growth Index measures the performance of those Russell 2000 Index companies with higher price-to-book ratios and higher forecasted growth values. As of the latest reconstitution, the average market capitalization of companies listed in the Russell 2000 Growth Index was approximately \$480 million and the median market capitalization was approximately \$390 million. The size of companies in the Russell 2000 Growth Index changes with market conditions and the composition of the index.



ties (i.e. securities in excess of a threshold percentage that are in default or not in compliance with applicable investment guidelines) and certain securities held for liquidity purposes and therefore neither category is covered by these obligations. The Wrap Contracts provide, however, for certain events of termination under which only the market value of the wrapped assets (which could be less than the Fund's invested capital therein) will be available to pay Participant withdrawals. The wrapped assets are managed for the Fund by investment advisors selected and monitored by GM Trust Company.

Gains or losses incurred by the underlying investment portfolios of the Fund's contracts generally are amortized over 2-5 years, thereby smoothing out changes in the Fund's income and value with respect to these assets.

The crediting rate on the Fund, which is computed net of all fees and expenses, is reset periodically, currently each calendar quarter, to reflect participant-initiated activities (contributions, exchanges, loans, or withdrawals) and the investment experience of the Fund's assets. Information regarding investment performance for prior periods is provided with each quarterly account statement you receive. You may obtain the crediting rate for succeeding quarters by the first Business Day after the end of the prior quarter by accessing the Program's website at [www.401K.com](http://www.401K.com) or by calling the Investment Service Center at 1-877-389-2374.

#### **Certain Risks Specific to the Promark Income Fund**

**IN THE EVENT OF THE INSOLVENCY OF ONE OF THE ISSUING COMPANIES PROVIDING CONTRACTS FOR THE PROMARK INCOME FUND, OR FAILURE OF SUCH COMPANY TO SATISFY ITS CONTRACT TERMS, NEITHER D-MS, DELPHI, THE FUND MANAGERS, THE TRUSTEE, THE INVESTMENT ADVISORS, NOR ANY OF THE OTHER ISSUING COMPANIES (EXCEPT TO THE LIMITED EXTENT, IF ANY, PROVIDED IN THE CONTRACTS OF SUCH OTHER ISSUING COMPANIES) ARE REQUIRED TO FULFILL THE INSOLVENT ISSUING COMPANY'S OBLIGATIONS ON THE CONTRACT(S). NEITHER D-MS, DELPHI, THE FUND MANAGERS, THE INVESTMENT ADVISORS, NOR THE TRUSTEE GUARANTEE EITHER (1) THE ASSETS INVESTED IN THE PROMARK INCOME FUND OR (2) THE CREDITING RATE. IF YOU INVEST IN THE PROMARK INCOME FUND, YOU BEAR THE RISK OF SUCH INVESTMENT, INCLUDING THE INSOLVENCY OF AN ISSUING COMPANY OR ITS FAILURE TO SATISFY THE CONTRACT TERMS.**

#### **Promark High Quality Bond Fund (22565)**

**Objective:** Seeks a high level of current income and moderate capital growth by investing primarily in U.S. high quality fixed income securities

**Category:** U.S. High Quality Fixed Income

**Benchmark:** Salomon Broad Investment Grade Index

#### **Investment Strategy:**

- The Fund invests primarily in U.S. government securities, investment grade corporate bonds, mortgages and asset backed securities to produce a high level of current income that is consistent with reasonable risk and moderate capital growth.
- The goal of the Fund is to outperform the Salomon Broad Investment Grade Index<sup>8</sup>, which covers the universe of investment-grade securities issued in the U.S., with a reasonable level of risk.
- The Fund is permitted to invest in government securities, residential and commercial mortgage-backed securities, asset-backed securities, and corporate debt securities issued by U.S. and non-U.S. issuers rated investment grade by one or more nationally recognized rating agencies<sup>9</sup>. The Fund's portfolio has an intermediate duration, similar to that of the benchmark index.
- The Fund seeks to manage interest rate risk by using strategies approved and monitored by GM Trust Company.
- The Fund is managed by GM Trust Company. As of April 30, 2003, the assets of the Fund were allocated among nine investment advisors.

**Investment Advisors:** BlackRock Financial Management, GM Investment Management, Goldman Sachs Asset Management, J.P. Morgan Investment Management, Lincoln Capital Management, Pacific Investment Management Company, The Prudential Investment Corporation, Salomon Brothers Asset Management, and Smith Breeden Associates

#### **Promark High Yield Bond Fund (22566)**

**Objective:** Seeks a high level of current income and capital appreciation by investing primarily in U.S. high yield fixed income securities

**Category:** U.S. High Yield Fixed Income

**Benchmark:** Credit Suisse First Boston High Yield Index

<sup>8</sup> The Salomon Broad Index Grade (BIG) Bond Index is an unmanaged index designed to measure the performance of the investment-grade universe of bonds issued in the U.S. This index includes fixed-rate U.S. Treasury, government-sponsored agency, mortgage and corporate securities rated BBB/Baa3 or better. Every security is traded priced on a monthly basis.

<sup>9</sup> The Fund is permitted to invest in corporate and sovereign securities rated Baa3/BBB- or above at the time of purchase by at least one nationally recognized credit rating agency, or, if not rated by at least one nationally recognized credit rating agency, believed by one of the investment advisors for the Fund to have similar risk characteristics. The Fund is not required to dispose of a security if its rating drops below Baa3/BBB- by one or more of the nationally recognized rating agencies. GMTCC reserves the right to modify the credit quality guidelines (to raise or lower them) depending on credit market valuations. In the event that such changes were made, however, the Fund's investments would remain predominantly investment grade as defined herein.

**Investment Strategy:**

- The Fund invests primarily in U.S. high yield fixed income securities issued by corporations which are rated below investment grade (below Baa3/BBB-) by one or more of the nationally recognized rating agencies, are unrated but believed by an investment advisor to the Fund to have similar risk characteristics, or are rated investment grade or higher but are priced at yields comparable to securities rated below Baa3/BBB- and are believed by an investment advisor to the Fund to have similar risk characteristics. Emphasis is placed by the Fund's investment advisors on fundamental research and diversification to minimize the risks of default and distress.
- The Fund invests in securities issued in either the public or private placement market. In addition, investment in securities issued by any one entity is limited to 5% of the total market value of the Fund.
- The goal of the Fund is to outperform the high yield fixed income market as measured by the Credit Suisse First Boston High Yield Index.<sup>10</sup>
- The Fund is managed by GM Trust Company. As of April 30, 2003, the assets of the Fund were allocated among eight investment advisors.

**Investment Advisors:** Alliance Capital Management, DDJ Capital Management, Fidelity Management Trust, Lincoln Capital Management, Nomura Capital Management and Research, Oaktree Capital Management, Shenkman Capital Management and W.R. Huff Asset Management

**Promark International Equity Fund (22563)**

**Objective:** Seeks long-term capital appreciation

**Category:** International Equity

**Benchmark:** Customized benchmark index (as described below)

**Investment Strategy:**

- The Fund invests primarily directly or indirectly in listed equity securities issued by companies domiciled primarily in the developed countries/markets represented in the Morgan Stanley Capital International (MSCI) Europe and Pacific Indexes.

- The goal of the Fund is to outperform a customized benchmark index which is weighted 50% the MSCI Europe Index and 50% the MSCI Pacific Index. The benchmark is 50% hedged back into the U.S. dollar.<sup>11</sup>
- The Fund utilizes a Currency Overlay Program where specialist currency managers actively manage foreign currency exposures. The Fund's exposure to fluctuations in the value of local market currencies versus the U.S. dollar can range from full exposure (unhedged) to no exposure (fully hedged back into the U.S. dollar) depending upon the views of the currency managers.
- The Fund imposes a short-term trading fee of 1.0% for units exchanged out of the Fund within 30 days of any exchange into the Fund.
- The Fund is managed by GM Trust Company. As of April 30, 2003, the assets of the Fund were allocated among nineteen investment advisors.

**Investment Advisors:** Alliance Capital Management, BlackRock International Limited, Bridgewater Associates, Capital Guardian Trust Company, Delaware International Advisors Ltd., Fidelity Management Trust Company, GM Investment Management, Goldman Sachs Asset Management, J.P. Morgan Investment Management, Marathon Asset Management, Mercury Asset Management Int. Ltd., Morgan Stanley Investment Management Ltd., Nomura Asset Management, Pareto Partners, Putnam Advisory Company, T. Rowe Price International, Schroder Investment Management, State Street Bank and Trust Company and UBS Global Asset Management

**Promark Emerging Markets Equity Fund (22564)**

**Objective:** Seeks long-term total return through capital appreciation, primarily through investing in the equity securities of companies in emerging market countries

**Category:** Emerging Markets Equity

**Benchmark:** MSCI Emerging Markets Free Index

**Investment Strategy:**

- The Fund invests primarily in equity securities issued by companies domiciled in or conducting their pri-

<sup>10</sup> The Credit Suisse First Boston High Yield Index is an unmanaged, trader priced portfolio constructed to mirror the high yield debt market (revisions to the Index are effected weekly). The Index has several modules representing different sectors of the high yield market including a cash paying module, a zero fix module, a pay-in-kind module, and a defaulted module.

<sup>11</sup> The MSCI Europe Index is a market-capitalization-weighted, unmanaged index of approximately 530 stocks traded in 16 European markets. The MSCI Pacific Index is a market-capitalization-weighted, unmanaged index of approximately 465 stocks traded in 5 Pacific-region markets. The weighting of the two component indexes is rebalanced annually. Relative outperformance by one of the component indexes will cause it to represent more than 50% of the weighting of the customized index in between rebalancing dates. The 50% hedging of the customized index back into the U.S. dollar is performed using the following methodology: The returns for the MSCI Europe Index and the MSCI Pacific Index are published both on an unhedged basis and on a fully hedged basis. The unhedged return assumes no hedging of local currency exposure back into the U.S. dollar. The hedged return assumes that local currency exposure is 100% hedged back into the U.S. dollar, with the effect of such hedging built into the Index return. To create a benchmark that is 50% hedged into the U.S. dollar, for each period measured, the return published for the hedged MSCI Europe Index is averaged (on an equally weighted basis) with the return for the unhedged MSCI Europe Index. The same approach is taken for the MSCI Pacific Index. Since inception, the countries and regions comprising the customized benchmark and their weightings have been changed from time to time to reflect changes in the MSCI indexes and strategy relating to the international equity investments of the employee benefit plans of Delphi and its subsidiaries.

<sup>12</sup> The Morgan Stanley Capital International Emerging Markets Free Index is a market capitalization weighted unmanaged index of over 650 stocks traded in 26 world markets.

mary business in the countries/markets represented in the MSCI Emerging Markets Free Index.<sup>12</sup>

- The goal of the Fund is to outperform MSCI Emerging Markets Free Index.
- The Fund attempts to reduce volatility, ordinarily expected from emerging market investments, through country diversification.
- Although the Fund's investment advisors are permitted to hedge local market currency exposures back into the U.S. dollar, in practice most of the Fund's assets are unhedged because of the significant expense of maintaining a hedge of an emerging market currency. This means that the Fund's performance generally is fully impacted by fluctuations in the value of the local market currencies versus the U.S. dollar.
- The Fund imposes a short-term trading fee of 1.0% for units exchanged out of the Fund within 30 days of any exchange into the Fund.
- The Fund is managed by GM Trust Company. As of April 30, 2003, the assets of the Fund were allocated among seven investment advisors.

**Investment Advisors:** Baillie Gifford Overseas Ltd., Batterymarch Financial Management, The Boston Company Asset Management, Capital International, Emerging Markets Management, Genesis Asset Managers, and J.P. Morgan Investment Management

#### **Promark Balanced Fund (22573)**

**Objective:** Seeks long-term growth through capital appreciation and income with a broadly diversified portfolio of stocks and bonds

**Category:** Hybrid

**Benchmark:** 60% Russell 1000 Index and 40% Salomon Broad Investment Grade Index

#### **Investment Strategy:**

- The Fund invests primarily in the shares of other Promark Funds to implement an asset allocation strategy that provides diversification across a range of asset classes.
- The asset classes of the Fund may include U.S. large cap stocks, U.S. small cap stocks, international stocks, emerging markets stocks, U.S. high quality bonds, U.S. high yield bonds, and cash.
- The Fund's current target allocation is 60% for stocks and 40% for bonds, but the Fund has latitude in selecting other allocations of assets in which the Fund chooses to invest. The Fund will be rebalanced at least annually to the selected asset mix.

- GM Trust Company serves as the manager for the Fund and has selected a target allocation which as of April 30, 2003 included the following component funds and weightings: 40% Promark Large Cap Blend Fund, 2.5% Promark Small Cap Value Fund, 2.5% Promark Small Cap Growth Fund, 12% split between the Promark International Equity Fund and State Street MSCI Europe Index Fund, 3% Promark Emerging Markets Equity Fund, 35% Promark High Quality Bond Fund, and 5% Promark High Yield Bond Fund. The component funds and their corresponding target allocations may be changed from time to time. Each of the component funds has its own investment policies and guidelines.
- The goal of the Fund is to outperform a customized benchmark consisting of a composite of 60% Russell 1000 Index and 40% Salomon Broad Investment Grade Index. The weighting of the two component indexes is rebalanced at least annually. Relative out-performance by one of the component indexes will cause it to represent more than the specified weighting of the customized index between rebalancing dates. In addition, the Fund's asset allocation is more diversified than that of the Fund's customized 60%/40% benchmark as the Fund's asset allocation includes exposure to international and emerging markets stocks and high yield bonds, which are not included in the component indices. Comparing the Fund's performance to a blend of indices that represent the Fund's actual target allocation may result in different comparison than a comparison to the benchmark index, including for certain periods, a materially less favorable comparison.

**Investment Advisor:** See component Promark Funds. State Street Bank and Trust Company is the investment advisor for the State Street MSCI Europe Index Fund.

#### **Promark Real Estate Securities Fund (22567)**

**Objective:** Seeks above-average current income and moderate growth of capital

**Category:** Real Estate

**Benchmark:** Wilshire Real Estate Securities Index

#### **Investment Strategy:**

- The Fund invests primarily in the equity-oriented securities of companies that are principally engaged in the ownership, acquisition, development, financing, sale and/or management of income-producing real estate properties, both commercial and residential.
- The goal of the Fund is to outperform the Wilshire Real Estate Securities Index, a market capitalization-weighted index of publicly traded real estate securities, including real estate investment trusts (REITs) and

real estate operating companies. As of April 30, 2003, the Index included 94 companies. Companies that are included in the Index are involved in the equity ownership and operation of commercial real estate and have a market capitalization of at least \$100 million.

- The Fund seeks to achieve its objective by evaluating all factors affecting the performance of real estate investments such as local market conditions, asset quality and management expertise, with such analysis based on the direct, active involvement with real estate investments in both the private and public markets as well as an extensive network of relationships with real estate operators and other industry participants.
- Investments in a single security will generally not exceed 10% of total Fund assets, although this percentage may be higher under certain circumstances.
- GM Trust Company serves as the Fund Manager and has selected GM Investment Management as the Fund's investment advisor.

**Investment Advisor:** GM Investment Management

**Delphi Common Stock Fund (22771)**

**Objective:** Seeks long-term growth of capital and current income

**Category:** U.S. Large Cap Value

**Benchmark:** Not applicable

**Investment Strategy:**

- The Fund invests solely in the shares of Delphi common stock, except for a small portion, ordinarily targeted at 1%, dedicated to short-term fixed income investments and money market instruments. These latter groups of securities provide liquidity for loans, withdrawals and exchanges by participants in this Fund.
- Delphi is a diversified supplier of components, integrated systems and modules to the automotive industry.
- The Fund is not diversified.
- The price of Delphi common stock may fluctuate on any given day, as is the case for all equity securities. Because the Fund is not diversified, this fluctuation generally will cause greater variation in the Fund's unit price than a fund consisting of a diversified portfolio of stocks.

- The dividend on Delphi common stock is reviewed quarterly by the Delphi Board of Directors, and the dividend declared is based among other factors, upon Delphi's future earnings and financial requirements.
- The Fund is a commingled fund managed by State Street Bank and Trust Company. GM Investment Management has selected State Street Bank and Trust Company as investment manager for these assets.
- The Fund imposes a 1.0% redemption fee on assets that are held less than 30 days. This redemption fee is deducted from the assets redeemed. The redemption fee is paid to the Fund and is intended to protect the Fund's performance and shareholders by discouraging frequent trading in response to short-term market fluctuations.

***Additional Information Specific to the Delphi Common Stock Fund***

GM Investment Management has chosen to invest the assets of the Delphi Common Stock Fund in a fund managed by State Street Bank and Trust Company. State Street Bank and Trust Company is responsible for (1) anticipating liquidity needs and maintaining sufficient cash levels to process participant transactions, (2) determining the daily number of shares of common stock to be purchased or sold, and (3) obtaining the best prices for any purchases or sales.

Your investment in the Delphi Common Stock Fund gives you the same proxy voting and tender rights as other common stock stockholders in that respective company (see "Voting or Tendering of Delphi Common Stock").

**Eaton Common Stock Fund and Axcelis Common Stock Fund**

The Eaton Common Stock Fund and the Axcelis Common Stock Fund were discontinued as of March 31, 2003. Any assets remaining in those discontinued funds were reinvested in the Promark Income Fund.



**PATHWAY THREE**

*Requires a higher level of involvement in constructing your total portfolio. You must review the individual Fidelity and other mutual fund prospectuses to determine each Fund's style, flexibility in varying from that style, and current portfolio composition to determine if each Fund meets your investment objective and, in the aggregate, contributes to your portfolio objective. Periodic review of each Fund's portfolio composition is also advisable as each Fund generally has flexibility to change its investment style from time to time as described in each Fund's prospectus. Performance return information on each Fund is provided with each quarterly account statement you receive.*

**U.S. EQUITY FUNDS**Large Cap Blend

- Domini Social Equity Fund\*
- Fidelity Capital Appreciation Fund
- Fidelity *Contrafund*\*
- Fidelity Disciplined Equity Fund
- Fidelity *Fifty*\* Fund
- Fidelity Fund
- Fidelity Growth & Income Portfolio
- Fidelity *Magellan*\* Fund
- Fidelity Stock Selector Fund
- Fidelity Trend Fund

Large Cap Value

- Fidelity Dividend Growth Fund
- Fidelity Equity-Income Fund
- Fidelity Equity-Income II Fund

Large Cap Growth

- Fidelity Aggressive Growth Fund
- Fidelity Blue Chip Growth Fund
- Fidelity Export & Multinational Fund

Large Cap Growth (continued)

- Fidelity Growth Company Fund
- Fidelity Independence Fund
- Fidelity OTC Portfolio

Mid Cap Blend

- Neuberger Berman Socially Responsive Fund\* — Trust Class

Mid Cap Value

- Fidelity Value Fund

Mid Cap Growth

- Fidelity Mid-Cap Stock Fund

Small Cap Blend

- Fidelity Small Cap Independence Fund

Small Cap Value

- Fidelity Low-Priced Stock Fund

**U.S. FIXED-INCOME FUNDS**High Quality General Bond

- *Spartan*\* Government Income Fund
- *Spartan*\* Investment Grade Bond Fund

High Yield

- Fidelity Capital & Income Fund

**INTERNATIONAL FUNDS**International Equity Funds

- Fidelity Canada Fund
- Fidelity Diversified International
- Fidelity Europe Fund
- Fidelity International Growth & Income Fund
- Fidelity Overseas Fund
- Fidelity Pacific Basin Fund
- Fidelity Worldwide Fund

Emerging Markets Equity Fund

- Fidelity Emerging Markets Fund

Emerging Markets Bond Fund

- Fidelity New Markets Income Fund

**SPECIALTY/SECTOR FUNDS**Hybrid

- Fidelity Balanced Fund
- Fidelity Global Balanced Fund
- Fidelity Strategic Income Fund
- Fidelity *Puritan*\*
- Fidelity *Asset Manager: Income*\*
- Fidelity *Asset Manager*<sup>SM</sup>
- Fidelity *Asset Manager: Growth*\*

U.S. Sector

- Fidelity Convertible Securities Fund
- Fidelity Real Estate Investment Portfolio
- Fidelity Utilities Fund

### ***Additional Information Specific to Fidelity and Other Mutual Funds***

Descriptions in this Prospectus of the Fidelity and other mutual funds available to you under the Program are summary in nature and have been provided by Fidelity or other mutual fund managers. Fidelity Management & Research Company manages the Fidelity mutual funds.

### **IT IS YOUR RESPONSIBILITY TO OBTAIN AND READ THE SEPARATE PROSPECTUS FOR EACH FIDELITY AND OTHER MUTUAL FUND IN WHICH YOU WISH TO INVEST BEFORE YOU MAKE YOUR INVESTMENT.**

Each Fidelity and other mutual fund prospectus contains additional information on the fund's objectives, risks, fees, exchanges, redemptions, securities lending, and its use of derivatives. Certain Fidelity mutual funds carry a sales charge (load); however, these charges are waived for Program participants. Certain mutual funds, typically those whose securities have high trading costs, may impose a redemption fee if an investment is held for less than a stated period (this fee is paid to the mutual fund and is intended to protect the fund's performance and shareholders by discouraging frequent trading in response to short-term market fluctuations). If applicable, these fees are disclosed in the individual mutual fund prospectuses. You may obtain copies of any Fidelity and other mutual fund prospectus by either accessing the Program's Internet website at [www.401k.com](http://www.401k.com) or calling the Investment Service Center at 1-877-389-2374.

### ***Brief Descriptions of the Fidelity and Other Mutual Funds***

#### **U.S. EQUITY FUNDS**

##### **Domini Social Equity Fund (93967)**

The Fund seeks to provide long-term capital appreciation. The Fund is an index fund, and holds all the stocks that make up the Domini 400 Social Index<sup>SM</sup> in approximately the same proportions as they are represented in the index. The Fund includes companies with positive records in community involvement, the environment, employee relations, and hiring practices. It avoids companies with significant revenues from alcohol, tobacco, gambling, nuclear power, and weapons contracting. Share price and return will vary.<sup>13</sup>

##### **Fidelity Aggressive Growth Fund (00324)**

The Fund seeks to provide capital appreciation by normally investing primarily in common stocks. The Fund invests in companies that the manager believes offer the potential for accelerated earnings and/or revenue growth. The Fund focuses on investments in medium-sized companies, but may also invest substantially in larger or smaller companies. Investments in mid-size companies

may involve greater risks than those of larger, better known companies but may be less volatile than investments in smaller companies. The Fund may invest in securities of domestic and foreign issuers. This Fund carries a short-term trading fee, which is charged to discourage short-term buying and selling of Fund shares. If you sell your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account equal to 1.50% of the value of the shares you sold. Share price return will vary.

##### **Fidelity Blue Chip Growth Fund (00312)**

The Fund seeks to provide growth of capital over the long term by normally investing primarily in common stocks of well-known and established companies. Normally, the Fund invests at least 80% of the its total assets in blue chip companies (those with a market capitalization of at least \$200 million, if the company's stock is included in the Standard & Poor's 500 Index (S&P 500<sup>®</sup>) or the Dow Jones Industrial Average, or \$1 billion if not included in either index). The Fund may also invest in companies that the manager believes to have above-average growth potential. The Fund may invest in securities of domestic and foreign issuers. The S&P 500<sup>®</sup> is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks. The Dow Jones Industrial Average is an unmanaged index of U.S. common stocks comprised of major industrial companies and assumes reinvestment of dividends.

##### **Fidelity Capital Appreciation Fund (00307)**

The Fund seeks to provide capital appreciation by normally investing primarily in common stocks. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

##### **Fidelity Contrafund<sup>®</sup> (00022)**

The Fund seeks to provide capital appreciation by normally investing primarily in common stocks. The Fund may invest in securities of domestic and foreign issuers whose value the Fund's manager believes is not fully recognized by the public. The Fund may invest in "growth" or "value" stocks, or both. Share price and return will vary.

##### **Fidelity Disciplined Equity Fund (00315)**

The Fund seeks to provide capital growth by normally investing at least 80% of the Fund's total assets in common stocks. The Fund seeks to reduce the impact of industry weightings on the performance of the Fund relative to the S&P 500<sup>®</sup>. The Fund may invest in securities of domestic and foreign issuers. The S&P 500<sup>®</sup>

<sup>13</sup> Advised by Domini Social Investments LLC, and sub-managed by SSgA Funds Management, Inc. Distributed by DSIL Investment Services LLC, which provided the description for the Fund. Domini 400 Social Index<sup>SM</sup> is a service mark of KLD Research & Analytics, Inc. (KLD) which is used under license. KLD is the owner of the Domini 400 Social Index. KLD determines the composition of the Domini 400 Social Index but is not the manager of the Domini Social Index Portfolio, the Domini Social Equity Fund, or the Domini Institutional Social Equity Fund. It is an index comprising stocks selected according to social criteria.



is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks. Share price and return will vary.

**Fidelity Dividend Growth Fund (00330)**

Seeks to provide capital appreciation by normally investing at least 80% of its assets in equity securities. Normally invests primarily in common stocks of companies that pay dividends or that Fidelity Management & Research Company (FMR) believes have the potential to pay dividends in the future. The Fund may invest in securities of domestic and foreign issuers. It is important to note that the Fund does not invest for income. Share price and return will vary.

**Fidelity Equity-Income Fund (00023)**

The Fund seeks to provide a reasonable income. In pursuing this objective, the Fund also considers the potential for capital appreciation. The Fund seeks to provide a yield that exceeds the composite yield of the Standard & Poor's 500 Index™ (S&P 500®). The Fund normally invests at least 65% of total assets in income-producing equity securities, which tend to lead to investments in large cap "value" stocks. The Fund may potentially invest in other types of equity and debt securities, including lower-quality debt securities. Investments in lower-rated securities involve greater risk than other debt securities including the risk of default. The Fund may invest in securities of domestic and foreign issuers. The S&P 500® is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks. Share price and return will vary.

**Fidelity Equity-Income II Fund (00319)**

The Fund seeks to provide a reasonable income. In pursuing this objective, the Fund also considers the potential for capital appreciation. The Fund seeks to provide a yield that exceeds the composite yield of the Standard & Poor's 500 Index™ (S&P 500®). Normally, the Fund invests at least 80% of total assets in income producing equity securities. The Fund may potentially invest in other types of equity securities and debt securities, including lower-quality debt securities. Investments in lower-rated securities involve greater risk than other debt securities including the risk of default. The Fund may invest in securities of domestic or foreign issuers. The S&P 500® is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks. Share price and return will vary.

**Fidelity Export and Multinational Fund (00332)**

Seeks long-term growth of capital by normally investing in common stocks including "growth" and "value" stocks or both. Normally, the Fund invests in securities of U.S. companies that are expected to benefit from exporting or selling their goods or services outside the United States. Export and multinational companies can be significantly affected by political, economic, and regulatory developments in foreign markets. The Fund is considered nondiversified and can invest a greater portion of assets in securities of individual issuers than a diversified fund might, which may cause greater share price fluctuation. The Fund may potentially invest in securities of foreign issuers and companies that are not export or multi-national companies. If you sell any of your shares after holding them for less than 30 days, the Fund will deduct a short term trading fee from your account equal to 0.75% of the value of the shares sold. Share price and return will vary.

**Fidelity Fifty® (00500)**

Seeks to provide capital appreciation by investing primarily in common stocks of companies that the manager believes have the greatest potential for growth. The Fund normally invests in 50-60 stocks of both domestic and foreign issuers. The Fund is considered non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund might, which may cause greater share price fluctuation. If you sell any of your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 0.75% of the value of the shares sold. Share price and return will vary.

**Fidelity Fund (00003)**

Seeks to provide long-term capital growth by normally investing primarily in common stocks. The Fund may potentially invest a portion of its assets in bonds, including lower-quality debt securities. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Growth Company Fund (00025)**

Seeks to provide capital appreciation by normally investing primarily in common stocks. The Fund invests in companies that the manager believes have above-average growth potential. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Growth & Income Portfolio (00027)**

The Fund seeks to provide a high total return through a combination of current income and capital appreciation by normally investing a majority of assets in common stocks with a focus on those that pay current dividends

and show potential for capital appreciation. The Fund may potentially invest in bonds including lower-quality debt securities, as well as stocks that are not currently paying dividends, but offer prospects for future income and/or capital appreciation. Investments in lower-rated securities involve greater risk than debt securities including the risk of default. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Independence Fund (00073)**

Seeks to provide capital appreciation by normally investing primarily in common stocks. The Fund may invest in securities of domestic and foreign issuers. The Fund may realize capital gains without considering the tax consequences to shareholders. For Program participants, capital gains rates would not apply within their Plan account since any earnings grow tax deferred and are taxed at applicable rates upon withdrawal. Share price and return will vary.

**Fidelity Low-Priced Stock Fund (00316)**

Seeks to provide capital appreciation by normally investing at least 80% of its assets in low-priced stocks (those priced at or below \$35 per share), which can lead to investments in small and medium-sized companies. The Fund may potentially invest in stocks not considered low priced. Investments in smaller companies may involve greater risk than those of larger, more well known companies. The Fund may invest in securities of domestic and foreign issuers. The Fund may invest in "growth" or "value" stocks, or both. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account equal to 1.5% of the value of the shares sold. Share price and return will vary.

**Fidelity Magellan® Fund (00021)**

Seeks to provide capital appreciation by normally investing primarily in common stocks. The Fund may invest in securities of domestic and foreign issuers. The Fund may invest in "growth" or "value" stocks or both. Not more than 40% of the Fund's assets may be invested in companies operating exclusively in any one foreign country. Share price and return will vary.

**Fidelity Mid-Cap Stock Fund (00337)**

Seeks to provide long-term growth of capital by normally investing at least 80% of its assets in common stocks of companies with medium market capitalizations (those with market capitalizations similar to companies in the Russell Midcap® Index or the S&P® MidCap 400 Index). The Fund may potentially invest in companies with smaller or larger market capitalizations. Investments in mid-sized companies may involve greater risk than those of larger, more well known companies, but may be less volatile

than investments in smaller companies. The Fund may invest in securities of domestic and foreign issuers. If you sell any of your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 0.75% of the value of the shares sold. Share price and return will vary.

**Fidelity OTC Portfolio (00093)**

Seeks to provide capital appreciation by normally investing primarily in common stocks. The Fund normally invests at least 80% of assets in securities principally traded on the NASDAQ or another over-the-counter (OTC) market, which have more small and medium-sized companies than other markets. The Fund may potentially invest in non-OTC securities. The Fund will invest more than 25% of the Fund's assets in the technology sector. The Fund is considered to be non-diversified and can invest a greater portion of assets in securities of individual issuers than a diversified fund might, which may cause greater share price fluctuation. The Fund may invest in securities of domestic and foreign issuers. Securities traded on the OTC market, tend to be from smaller or newer companies which generally involve greater investment risk than investments in larger, well-known companies. Share price and return will vary.

**Fidelity Small Cap Independence Fund (00336)**

Seeks to provide capital appreciation by normally investing primarily in common stocks. Normally invests at least 80% of total assets in securities of companies with small market capitalization (those with market capitalization similar to companies in the Russell 2000® Index or the Standard & Poor's® SmallCap 600 Index). Investments in smaller companies may involve greater risk than those in larger, better known companies. The Fund may invest in securities of domestic and foreign issuers. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account equal to 1.50% of the value of the shares sold. Share price and return will vary. The Russell 2000® Index is an unmanaged index composed of the 2,000 smallest securities in the Russell 3000 Index and includes reinvestment of dividends. It represents approximately 11% of the Russell 3000® Index. Standard & Poor's® SmallCap 600 Index is an unmanaged, market-capitalization-weighted index of 600 small-capitalization stocks.

**Fidelity Stock Selector (00320)**

Seeks to provide capital growth by normally investing at least 80% of total assets in common stocks. The Fund may invest in either "growth" or "value" stocks or both. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Trend Fund (00005)**

Seeks to provide growth of capital by normally investing primarily in common stocks. The manager studies momentum in trends of individual companies, industries, and general market security prices and earnings. The Fund may invest in "growth" or "value" stocks, or both. The Fund invests in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Value Fund (00039)**

The Fund seeks to provide capital appreciation by normally investing primarily in common stocks. The Fund invests in securities of companies that possess valuable fixed assets or that the manager believes are undervalued in the marketplace in relation to factors such as assets, earnings or growth potential. Such stocks can continue to be "undervalued" by the market for long periods of time and may not ever realize their full value. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Neuberger Berman Socially Responsive Fund<sup>®</sup>—  
Trust Class (93895)**

Seeks to provide long-term growth of capital by investing primarily in common stocks of value companies that meet both the Fund's social policy and financial criteria. The managers initially screen companies using value investing criteria. Among companies that meet these criteria, they look for companies that show leadership in major areas of social impact, such as the environment, workplace and community. They also consider companies' records in other areas, such as public health and the impact of their products. Share price and return will vary.

**U.S. FIXED INCOME FUNDS****Fidelity Capital & Income Fund (00038)**

Seeks to provide a combination of income and capital growth by investing in equity and debt securities, including defaulted securities, with an emphasis on lower-quality debt securities. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The Fund invests in companies in troubled or uncertain financial condition. The Fund may invest in securities of domestic and foreign issuers. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price, yield and return will vary.

**Spartan<sup>®</sup> Government Income Fund (00453)**

Seeks to provide a high level of current income by normally investing at least 80% of total assets in U.S. Government securities and repurchase agreements for

those securities. The Fund also may invest in instruments related to U.S. Government securities. The Fund is managed to have similar overall interest rate risk to the Lehman Brothers Government Bond Index. The Fund may invest in securities with different maturities. Investments in the Fund are not guaranteed or insured by the FDIC or any other government agency. Share price and return will vary. The Lehman Brothers Government Bond Index is an unmanaged market-value-weighted index of U.S. Government and government agency securities (other than mortgage securities) with maturities of one year or more.

**Spartan<sup>®</sup> Investment Grade Bond Fund (00448)**

Seeks to provide a high level of current income by normally investing at least 80% of its assets in U.S. Government securities, and in repurchase agreements for those securities. The Fund also may invest in instruments related to U.S. Government securities. The Fund is managed to have similar overall interest rate risk to that of the Lehman Brothers Government Bond Index. The Fund may invest in securities with different maturities. Investments in the Fund are not guaranteed or insured by the FDIC or any other government agency. Share price, yield, and return will vary.

**INTERNATIONAL FUNDS****Fidelity Canada Fund (00309)**

Seeks to provide long-term growth of capital. Normally invests at least 80% of its assets in securities of issuers that have their principal activities in Canada or registered in Canadian markets. Foreign investments involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. There is additional risk involved in investing in one geographic location. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account equal to 1.5% of the value of the shares sold. Share price and return will vary.

**Fidelity Diversified International Fund (00325)**

Seeks to provide capital growth. Normally invests primarily in foreign securities. The Fund normally invests primarily in common stocks. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. If you sell your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.

**Fidelity Emerging Markets Fund (00322)**

Seeks to provide capital appreciation. Normally invests at least 80% of its assets in securities of issuers in emerging markets. The Fund normally invests primarily in common stocks. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account equal to 1.5% of the value of the shares sold. Share price and return will vary.

**Fidelity Europe Fund (00301)**

The Fund seeks to provide a long-term growth of capital by normally investing at least 80% of total assets in securities of issuers that have their principal activities in Europe. The Fund normally invests primarily in common stocks. Foreign investments, especially those in emerging markets, involve greater risks and may offer greater potential returns than U.S. investments. These risks include political and economic uncertainties of foreign countries, as well as the risk of currency fluctuations. There are additional risks involved with investing in one geographic location. This Fund carries a short-term trading fee, which is charged to discourage short-term buying and selling of Fund shares. If you sell your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 1.00% of the value of the shares you sold. Share price and return will vary.

**Fidelity International Growth & Income Fund (00305)**

Seeks to provide capital growth and current income consistent with reasonable investment risk. Normally invests primarily in foreign securities. The Fund normally invests a majority of its assets in common stocks, with a focus on those that pay current dividends and show potential for capital appreciation. The Fund may potentially invest in debt securities, including lower-quality debt securities. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. If you sell any of your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.

**Fidelity New Markets Income Fund (00331)**

Seeks to provide high current income. As a secondary objective the Fund seeks to provide capital appreciation. Normally invests at least 80% of its assets in debt

securities of issuers in emerging markets. The Fund may potentially invest in other types of securities, including equity securities of emerging market issuers, debt securities of non-emerging market foreign issuers, and lower-quality debt securities of U.S. issuers. The Fund may invest up to 35% of its assets in these securities, but does not anticipate that these investments will exceed 20% of the Fund's assets. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The Fund normally diversifies investments across different emerging market countries. The Fund is considered non-diversified as to issuer and may invest a greater portion of its assets in securities of individual issuers than a diversified fund might, which may cause greater share price fluctuation. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. There is additional risk involved with investing in one geographic location. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.

**Fidelity Overseas Fund (00094)**

Seeks to provide long-term growth of capital. Normally invests at least 80% of its assets in foreign securities. The Fund normally invests primarily in common stocks. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. If you sell any of your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.

**Fidelity Pacific Basin Fund (00302)**

Seeks to provide long-term growth of capital. Normally invests at least 80% of its assets in securities of issuers that have their principal activities in the Pacific Basin. The Fund normally invests primarily in common stocks. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. There is additional risk involved with investing in one geographic location. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account equal to 1.5% of the value of the shares sold. Share price and return will vary.



**Fidelity Worldwide Fund (00318)**

Seeks to provide capital growth. Normally invests in securities issued anywhere in the world. The Fund normally invests primarily in common stocks. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. If you sell any of your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.

**SPECIALTY/SECTOR FUNDS****Fidelity Asset Manager: Income® (00328)**

Seeks to provide a high level of current income by allocating its assets among stocks, bonds, short-term instruments and other investments. The Fund may also consider the potential for capital appreciation. The manager allocates the Fund's assets among stocks, bonds, and short-term and money market instruments. The Fund's investments will normally fluctuate around a neutral mix of 20% stocks (can range from 10% to 30%), 50% bonds (can range from 40% to 60%), and 30% short-term/money market instruments (can range from 10% to 50%). The manager regularly reviews the Fund's allocations, and makes changes gradually to favor investments believed to provide the most favorable outlook for achieving the Fund's objective. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Asset Manager™ (00314)**

Seeks to provide a high total return with reduced risk over the long term by allocating its assets among stocks, bonds, and short-term instruments. The manager allocates the Fund's assets among stocks, bonds, and short-term and money market instruments. The Fund's investments will normally fluctuate around a neutral mix of 50% of assets in stocks (can range from 30% to 70%), 40% of assets in bonds (can range from 20% to 60%), and 10% of assets in short-term/money market instruments (can range from 0% to 50%). The manager regularly reviews the Fund's allocations, and makes changes gradually to favor investments believed to provide the most favorable outlook for achieving the Fund's objective. The Fund may invest in securities of domestic and foreign issuers. Share price, yield, and return will vary.

**Fidelity Asset Manager: Growth® (00321)**

Seeks to maximize total return over the long term by allocating its assets among stocks, bonds, short-term instruments, and other investments. The manager allocates the Fund's assets among domestic and foreign stocks, bonds, and short-term and money market investments.

The Fund's investments will normally fluctuate around a neutral mix of 70% stocks (can range from 50% to 100%), 25% bonds (can range from 0% to 50%) and 5% short-term and money market investments (can range from 0% to 50%). The manager regularly reviews the Fund's allocations, and makes changes gradually to favor investments believed to provide the most favorable outlook for achieving the Fund's objectives. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Balanced Fund (00304)**

Seeks to provide income and capital growth consistent with reasonable risk by normally investing approximately 60% of its assets in stocks and other equity securities, and the remainder in bonds and other debt securities, including lower-quality debt securities, when the outlook for the markets is neutral. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The Fund will invest at least 25% of its assets in fixed income senior securities (including debt securities and preferred stocks). The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Convertible Securities Fund (00308)**

Seeks to provide high total return through a combination of current income and capital appreciation. Normally invests at least 80% of its assets in convertible securities, which are often lower-quality debt securities. Convertible securities perform more like a stock when the underlying share price is high, and more like a bond when the underlying share price is low. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The Fund may potentially invest in other types of securities, including common stocks. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Global Balanced Fund (00334)**

Seeks to provide income and capital growth consistent with reasonable risk. Normally invests in equity and debt securities, including lower-quality debt securities issued anywhere in the world. Invests at least 25% of its assets in fixed-income senior securities (including debt securities and preferred stock). Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. If you sell any of your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.

**Fidelity Strategic Income Fund (00368)**

The Fund seeks to provide a high level of current income and may also seek capital appreciation by investing primarily in debt securities, including lower-quality debt. The Fund allocates its assets among four general investment categories using a neutral mix of approximately 40% high yield, 30% U.S. Government and investment-grade, 15% emerging markets, and 15% foreign developed markets. The Fund may potentially invest in equity securities. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. Share price, yield and return will vary.

**Fidelity Puritan® Fund (00004)**

Seeks to provide income and capital growth consistent with reasonable risk. Normally invests approximately 60% of its assets in stocks and other equity securities and the remainder in bonds and other debt securities, including lower-quality debt securities, when the outlook for the markets is neutral. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The Fund will invest at least 25% of its assets in fixed income senior securities (including debt securities and preferred stocks). The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Real Estate Investment Portfolio (00303)**

Seeks to provide above-average income and long-term capital growth, consistent with reasonable investment risk. The Fund seeks to provide a yield that exceeds the composite yield of the S&P 500® Index. Normally invests at least 80% of its assets in equity securities of companies principally engaged in the real estate industry. The Fund may invest in securities of domestic and foreign issuers. The Fund is considered non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified Fund might, which may cause greater share price fluctuation. Due to their narrower focus, sector funds tend to be more volatile than funds that diversify across many sectors. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account equal to 0.75% of the value of the shares sold. Share price and return will vary. The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

**Fidelity Utilities Fund (00311)**

Seeks to provide high total return through a combination of current income and capital appreciation. Normally invests primarily in common stocks. Normally invests at least 80% of its assets in securities of utility companies. Investments tend to emphasize those utility companies with strong growth potential rather than high current dividends. The Fund may invest in securities of domestic and foreign issuers. Due to their narrow focus, sector funds tend to be more volatile than funds that diversify across many sectors. Share price and return will vary.

**MISCELLANEOUS INFORMATION  
ABOUT INVESTMENT OPTIONS****Performance Returns**

Performance return information on all the Program's investment funds, including performance information as of the end of the most recent calendar quarter, is disclosed in the Program's quarterly Account Statement.

**Past performance is not indicative of future results.** Additionally, funds may have sustained gains or losses recently due to market volatility or other reasons. Accordingly, performance for a fund for dates subsequent to the date of the most recent quarterly Account Statement may be different from the performance stated therein. Please visit the Program's Internet website at [www.401k.com](http://www.401k.com), or call the Investment Service Center at 1-877-389-2374 for performance information.

**Fund Valuation Information**

Your investment in each Promark Fund and Company Stock Fund is expressed in terms of units. Your investment in each Fidelity and other mutual fund is expressed in terms of shares. The number of units/shares credited to your Program account depends on the amount of your contributions, dividends (if applicable), and the purchase price of a unit/share in the fund. The daily value of your Program account is determined by multiplying the number of units/shares of each fund in your account by its respective current net asset value. You may obtain the value of your Program account as of the close of business on the prior Business Day by accessing the Program's Internet website at [www.401k.com](http://www.401k.com) or by calling the Investment Service Center at any time at 1-877-389-2374.

**Withdrawals and Distributions**

When you take a withdrawal or distribution from your account, your assets are settled in cash. For assets in the Delphi Common Stock Fund only, you may choose to receive cash or a stock certificate. Any fractional share will be paid in cash. If you request a stock certificate, you may register it in your name alone, or in your name with your spouse as "joint tenants with the right of survivorship," but not as "tenants in common."



**FUND EXCHANGES**

Except as provided below, all, or part, of your assets in current or Unrestricted (not subject to the Required Retention Period) classes may be exchanged, in 1% increments or whole dollar amounts, between any of the investment options offered under the Program. An exchange must consist of assets having a Current Market Value of at least \$500; or, if less, all the assets in the fund. There is no charge or fees for your exchanging assets; however, a few funds, typically those whose securities have high trading costs, may impose a redemption fee on your exchange if you held that investment for less than a stated period (this fee is paid to the fund and is intended to protect the fund's performance and shareholders by discouraging frequent trading in response to short-term market fluctuations). Such fees are disclosed in the individual mutual fund prospectuses. For information on redemption fees for the Promark Funds and the Delphi Common Stock Fund, contact the Investment Service Center at 1-877-389-2374.

The provision to exchange assets between any of the investment options offered under the Program does not apply to your contributions, D-MS matching contributions, and earnings on such contributions required to be invested in the Delphi Common Stock Fund during the Required Retention Period. Such contributions required to be invested in the Delphi Common Stock Fund may not be exchanged until completion of the Required Retention Period. Upon completion of the Required Retention Period, all assets may be exchanged between any of the investment options offered under the Program.

**GM TRUST COMPANY AND GM INVESTMENT MANAGEMENT RESERVE THE RIGHT TO MODIFY OR SUSPEND SUBSCRIPTIONS, REDEMPTIONS OR EXCHANGES AMONG ANY ONE OR MORE OF THE PROMARK FUNDS AND THE DELPHI COMMON STOCK FUND OFFERED UNDER THE PROGRAM, AT ANY TIME, IN RESPONSE TO MARKET CONDITIONS OR OTHERWISE. FURTHERMORE, FIDELITY AND THE OTHER MUTUAL FUND PROVIDERS RESERVE THE RIGHT TO MODIFY OR SUSPEND EXCHANGES AMONG THEIR MUTUAL FUNDS AS DESCRIBED IN THEIR PROSPECTUSES. FIDELITY AND THE OTHER MUTUAL FUND PROVIDERS ALSO RESERVE THE RIGHT, UNDER CIRCUMSTANCES DESCRIBED IN THEIR PROSPECTUSES, TO SUSPEND OR DELAY PURCHASES AND/OR REDEMPTIONS FROM THEIR MUTUAL FUNDS, WHICH MIGHT IN TURN DELAY YOUR EXCHANGES TO OR FROM THE PROMARK FUNDS OR THE DELPHI COMMON STOCK FUND. NEITHER D-MS, DELPHI, GMIMCo, GMTC OR THE OTHER FUND MANAGERS, THE INVESTMENT ADVISORS NOR THE TRUSTEE SHALL BE LIABLE FOR ANY ECONOMIC IMPACT (INCLUDING CHANGE IN MARKET VALUE) RESULTING FROM ANY SUCH CHANGE OR MODIFICATION.**

Except as discussed above, you may initiate an exchange on any Business Day through the Internet website at [www.401k.com](http://www.401k.com), or by calling the Investment Service Center at 1-877-389-2374. Your election to exchange assets is irrevocable and will be effective as of the close of business of the NYSE, normally 4:00 p.m. (E.T.) on the Business Day the election is received and confirmed by the Investment Service Center. If your exchange of assets request is received and confirmed after the close of business of the NYSE, normally 4:00 p.m. (E.T.) on any Business Day, or on a weekend or holiday observed by the NYSE, or on a day when subscriptions, redemptions or exchanges of your fund(s) have been suspended, it will become effective on the next Business Day. Your exchange of assets will be processed at the fund's closing price on the Business Day as described above.

**LOANS**

You may take a loan from your Program account for any reason once each calendar year; however, you cannot borrow D-MS matching contributions and earnings thereon subject to the Required Retention Period. If you are a former employee of D-MS, you may also take a loan from your account. You may not have more than five loans (including any loans transferred from the Eaton Corporation Share Purchase and Investment Plan) outstanding at any one time, and you may take no more than one new loan in any calendar year. Loans must be for at least \$1,000 and in whole dollars. You may not have at any time loans outstanding exceeding the maximum of \$50,000. You may apply for a loan for an amount that is the lesser of \$50,000 (less the highest amount of loans you had outstanding during the prior 12 months) or one-half of the Current Market Value of your total vested Program assets.

Furthermore, while you remain actively employed by D-MS the maximum amount available for a loan will be reduced by an amount equal to the outstanding principle, including accrued interest, of any loan defaulted after December 31, 2002 and deemed to be a distribution (as described in the last paragraph of this "Loan" section). However, as an active employee of D-MS you may repay a loan after it has been declared a deemed distribution, thus eliminating the restriction on the amount available for any subsequent loan.

The effective date of your loan will be the Business Day on which the Investment Service Center receives your loan request; provided that your request is received and confirmed before the close of business of the NYSE, normally 4:00 p.m. (E.T.). If your loan request is received and confirmed after the close of business of the NYSE, or on a day when loans from your fund(s) have been suspended, or on a weekend or holiday observed by the NYSE, your loan will be effective on the next Business Day. Your loan request is irrevocable as of the close of business of the NYSE on the Business Day such request is received and confirmed by the Investment Service Center.

Within the following guidelines, you choose the term of your loan. It may be for any amount of time (in six month periods) between six months and five years (ten years if the loan is for the purchase or construction of your principal home). You will pay interest on your loan at a rate equal to the Prime Rate (which for purposes of the Program is the interest rate reported as the "Prime Rate" in the Eastern Edition of *The Wall Street Journal* in its general guide to money rates) that exists on the last Business Day of the calendar quarter immediately before the date your loan request is received by the Investment Service Center. The interest rate remains fixed for the term of your loan.

The Program Recordkeeper may require that if you apply for or are granted a loan, you must pay a reasonable loan application or administration fee.

Funds for your loan will be obtained by selling eligible assets from your Program account, (1) as you may elect from specific investment options in which you have assets, or (2) pro rata from each investment option in which you have assets as determined by a hierarchy pre-established by the Administrator and contained in the "Complete Text." You will receive no future dividends, interest or capital gains on any assets sold to obtain funds for your loan.

You will repay any loan through after-tax payroll deductions, except if you are no longer an active employee of D-MS, repayment is through monthly installment payments. When you make payments on your loan(s), the money will be invested in the same investment option(s) selected by you for your current discretionary contributions. If you are no longer an active employee your loan repayments will be invested according to your last discretionary contribution investment election on file with the Investment Service Center. However, any loans obtained from assets still subject to the Required Retention Period must be repaid into the Delphi Common Stock Fund. You may prepay all, or part, of a loan at any time without penalty.

If you have an outstanding loan and are placed on an unpaid leave of absence from D-MS, you may (1) make monthly payments equal in value to the payments deducted previously from your paycheck, or (2) suspend loan repayments for a period of up to 12 months. However, you can never extend a loan beyond the applicable maximum loan term of five (or ten) years except for military service.

If you have an outstanding loan at the time of your retirement or termination of employment with D-MS and request a total distribution of all your Program assets, you will be deemed to have elected a distribution of all assets including the remaining outstanding balance of the loan (including interest). If, at the time of your retirement or termination of employment with D-MS, you elect to leave all your assets in the Program, you may make monthly installment payments or make a lump-sum cash

payment equal to the remaining outstanding balance of the loan, including interest.

In the event you fail to make a required loan payment and such failure continues beyond the last day of the calendar quarter following the calendar quarter in which the required payment was due, then the loan shall be declared to be defaulted and you shall be irrevocably deemed to have received a distribution of assets in an amount equal to the remaining outstanding principal and accrued interest on the loan, calculated to the date of such deemed distribution. Prior to your outstanding loan being declared to be defaulted, you will be sent a notice of your failure to pay, and you will be provided a repayment opportunity unless the failure to repay is as the result of your having declared bankruptcy. There may be adverse tax consequences if you default an outstanding loan. See "Tax Considerations" for additional information.

## **WITHDRAWALS AND DISTRIBUTIONS**

### ***Minimum Amount***

If you are permitted to withdraw any portion of your assets while you are an employee, your withdrawal may not be less than \$300. The Program Administrator may revise this amount from time to time.

### ***During the Required Retention Period***

You may withdraw all Regular Assets (assets purchased with Regular Savings and earnings thereon). You may withdraw Deferred Savings only as described in the section below entitled "Deferred Savings." You may not withdraw D-MS matching contributions or earnings thereon until completion of the Required Retention Period.

**GM INVESTMENT MANAGEMENT AND GM TRUST COMPANY RESERVE THE RIGHT TO MODIFY OR SUSPEND TEMPORARILY THE RIGHT TO EFFECT WITHDRAWALS AT ANY TIME IN RESPONSE TO MARKET CONDITIONS OR OTHERWISE. NEITHER D-MS, DELPHI, GM INVESTMENT MANAGEMENT, GM TRUST COMPANY, THE FUND MANAGERS, THE INVESTMENT ADVISORS, NOR THE TRUSTEE SHALL BE RESPONSIBLE FOR ANY ECONOMIC IMPACT (INCLUDING CHANGE IN MARKET VALUE) RESULTING FROM ANY SUCH SUSPENSION OR MODIFICATION.**

Before you may withdraw Regular Assets attributable to Basic Savings required to be invested in the Delphi Common Stock Fund during the Required Retention Period, all Regular Assets attributable to your Additional Savings, and the portion of your Basic Savings not subject to the Required Retention Period, must first be withdrawn. Thereafter, you may withdraw all Regular Assets attributable to Basic Savings required to be invested in the Delphi Common Stock Fund.

If you withdraw Regular Assets or Deferred Savings, you will not forfeit any non-vested D-MS matching contributions or earnings thereon.

The effective date of your withdrawal will be the Business Day on which the Investment Service Center receives your withdrawal request, if such request is received and confirmed before the close of business of the NYSE, normally 4:00 p.m. (E.T.). A withdrawal request received and confirmed after the close of business of the NYSE, or on a weekend or holiday observed by the NYSE, or on a day when withdrawals from your fund(s) have been suspended, will become effective on the next Business Day. Your election to withdraw assets is irrevocable as of the close of business of the NYSE on the Business Day your election is received and confirmed by the Investment Service Center. See "Tax Considerations" for a discussion of the tax effects if you elect to take a withdrawal.

#### ***Following Completion of the Required Retention Period***

Your assets held until completion of the Required Retention Period are retained in the Program until you terminate employment or until such time as you withdraw them. At any time following completion of the Required Retention Period you may withdraw all, or any part, of the Unrestricted Regular Assets and Unrestricted D-MS contributions and earnings thereon in your account. You may withdraw Unrestricted Deferred Savings only as described in the section below entitled "Deferred Savings." If you are under age 65 and have less than five years of Credited Service, you may not withdraw all or any part of Unrestricted D-MS contributions that were contributed within the 24 months preceding the month of withdrawal.

The effective date of your withdrawal is the Business Day on which your withdrawal request is received by the Investment Service Center, provided such request is received and confirmed before the close of business of the NYSE, normally 4:00 p.m. (E.T.). A withdrawal request received and confirmed after the close of business of the NYSE, or on a weekend or holiday observed by the NYSE, or on a day when withdrawals from your fund(s) have been suspended, is effective on the next Business Day. Your election to withdraw assets is irrevocable as of the close of business of the NYSE, or on a day when withdrawals from your fund(s) have been suspended, on the Business Day your election is received and confirmed by the Investment Service Center. See "Tax Considerations" for a discussion of the tax effects if you elect to take a withdrawal.

#### ***Deferred Savings***

If you are under the age of 59½, you may not withdraw Deferred Savings until all other assets have been withdrawn from your account. If, after you have withdrawn all non-Deferred Savings and you then encounter a "Financial Hardship" (as described below), you may withdraw Deferred Savings, provided you have previously taken all available asset distributions, withdrawals, and loans available under all applicable plans

maintained by D-MS. The amount of assets that you may withdraw for a Financial Hardship is limited to the lesser of (1) the total amount of Deferred Savings in your account, or (2) the amount required to meet the Financial Hardship (including expenses to cover anticipated taxes and early withdrawal penalties). You may not withdraw earnings on Deferred Savings for a Financial Hardship. If you withdraw assets because of Financial Hardship, you will be suspended from participating in the Program and all other applicable plans maintained by D-MS for a period of 12 months from the date of the Financial Hardship withdrawal. In addition, during the succeeding Plan Year, your Deferred Savings contributions will be limited to the maximum allowed deferral (e.g., \$12,000 for 2003) minus any amount that had been deferred in the Plan Year in which the Financial Hardship withdrawal occurred.

The term "Financial Hardship" means a reason given by you when you apply for withdrawal of Deferred Savings before age 59½ which indicates that your withdrawal is (1) necessary to meet your immediate and substantial financial needs, (2) for an amount required to meet the immediate financial needs created by the hardship, and (3) the amount is not reasonably available from your other resources. You may increase the amount of the withdrawal to cover your anticipated taxes and early withdrawal penalties. The reason for your Financial Hardship must be permitted under Internal Revenue Service regulations and rulings. Financial Hardship is currently limited to: (1) your purchase or construction of a principal residence; (2) your payment to prevent foreclosure on your principal residence or to prevent eviction from such residence; (3) your payment of tuition for the next 12 months of post-secondary education for yourself, your spouse, or your dependent(s); (4) your payment of medical expenses previously incurred or necessary to obtain medical care for yourself, your spouse, or your dependent(s); or (5) any other reason permitted under IRS rulings and notices.

If the amount of assets you withdraw is less than the total amount of Deferred Savings, excluding earnings, in your account, the withdrawal shall be made first of Deferred Savings in your account of Unrestricted classes and then of Deferred Savings in your account which are subject to the Required Retention Period.

If you are age 59½ or older, you may withdraw Deferred Savings and earnings thereon on the same basis as Regular Asset withdrawals previously described.

#### ***Dividends***

You may choose to have all, or 50%, of the dividends on your assets in the Delphi Common Stock Fund reinvested in the Fund or have all, or 50%, of the cash dividends mailed to your address of record. Your choice applies to dividends paid on Delphi common stock purchased by you and through D-MS's contributions. Once you make your election with the Investment Service Center, it remains in effect until you change your election. Your



election in effect as of 4:00 p.m. (E.T.) on the last Business Day before the dividend payment date determines how your dividends will be paid. If you do not choose to have cash dividends mailed to you, the dividends will be reinvested in the Delphi Common Stock Fund.

Subject to Delphi's financial results and action by the Delphi Board of Directors, Delphi currently pays dividends once each quarter (generally on the dividend payment date).

### ***Termination of Employment***

If you terminate employment from D-MS for any reason, you may continue to leave all assets credited to your account in the Program. Any assets remaining in your account after you are age 70½ are subject to Federal minimum annual distribution requirements.

Even if you have terminated employment with D-MS, as long as you have assets in the Program you may (1) exchange assets among the various investment funds, (2) borrow against your assets pursuant to the provisions of the Program, and (3) elect to withdraw all, or part, of the assets in your account at any time. The Date of Valuation for your withdrawal is the Business Day on which the Investment Service Center receives your withdrawal request as long as such request is received and confirmed before the close of business of the NYSE, normally 4:00 p.m. (E.T.). If your request is received and confirmed after the close of business of the NYSE, on a weekend or holiday observed by the NYSE, or on a day when redemptions from your fund(s) have been suspended, your Date of Valuation will be on the next Business Day. Your election to withdraw assets will become irrevocable as of the close of business of the NYSE on the Business Day your election is received and confirmed by the Investment Service Center.

In addition to any partial withdrawals, you may elect a distribution of assets in your account in the form of installment payments.

- (1) You may elect installment payments on a monthly, quarterly, semi-annual, or annual basis.
- (2) Installments are to be in whole dollar amounts, with \$1,200 as the minimum annual installment amount.
- (3) The amount elected for installment payments are obtained pro rata from each fund in your account in the following order: (i) assets obtained with Regular Savings until exhausted, and (ii) assets obtained with rollover contributions, D-MS contributions, and Deferred Savings.
- (4) You may change the timing, amount, or discontinue installment payments at any time. You may continue to make asset exchanges during the period installment payments are in effect.
- (5) Except as provided in paragraph (6) below, if you choose installment payments, they will commence

the first of the month following the month in which your request for such payment is received by the Investment Service Center.

- (6) For installment payment purposes, your assets are valued as of the first day of the month for any monthly, quarterly, semi-annual, or annual installment payment. If the first day of the month is on a weekend or holiday observed by the NYSE, the installment payment is valued on the prior Business Day.
- (7) If, at the time of your death, you have an installment payment election in effect such installments will continue until your spousal beneficiary elects otherwise.

If your vested assets include assets transferred from the Eaton Corporation Stock Purchase and Investment Plan, any withdrawal or distribution options that were available to you under that plan will remain available to you under the Program for the transferred assets and any investment gains or losses on those transferred assets.

If, at the time of your termination of employment from D-MS, the value of your vested assets is not, and was not at the time of a prior distribution, greater than \$5,000, you will receive a distribution of the entire amount of such assets not later than 60 days following the month in which your termination of employment from D-MS occurs.

If you terminate employment with less than five years of Credited Service at the Effective Date of Termination, any D-MS contributions and earnings thereon not vested are forfeited. The term "Effective Date of Termination" means the Business Day, or, if after 4:00 p.m. (E.T.), the next Business Day following your termination of salaried employment with D-MS as determined by D-MS.

If, after you have terminated employment, you again become eligible to participate in the Program, you may have any forfeited D-MS contributions related to the termination restored, provided your number of consecutive one-year breaks-in-service following termination is less than five years. This can be accomplished through the repayment to the Program of the full amount of any distribution you received upon termination or, if no distribution of your assets occurred, upon appropriate request to the Investment Service Center for such restoration. Any such repayment must be made before the earlier of five years after you are re-employed, or when you incur five consecutive one-year breaks in service following the date of the distribution. The amount repaid is deemed to be Regular Savings and vests immediately. Any restored D-MS contributions that were not vested on the date of your termination of employment with D-MS vest in accordance with the Program provisions.

### ***Upon Your Death***

Upon your death, all assets in your account are distributed in accordance with your beneficiary designation (see "Miscellaneous - Designation of Beneficiaries"). Your

beneficiary may elect to receive cash-in-lieu of shares equivalent in value to the assets invested in the Delphi Common Stock Fund in your account, based on the Current Market Value of such Funds on the Date of Valuation. The Date of Valuation is the Effective Date of Withdrawal. For this purpose, the Effective Date of Withdrawal is the Business Day on which the Program Recordkeeper, currently Fidelity, determines the appropriate beneficiary, or beneficiaries, and is in receipt of all the necessary information and directions to process the settlement.

Your spousal beneficiary may elect to keep your account assets in the Program after your death. Your surviving spouse may elect subsequently to receive the assets in a lump sum at any time. While the assets remain in the Program your surviving spouse may (1) exchange assets among the various investment options offered under the Program (see "Fund Exchanges" for description of the rules), (2) elect partial distributions, (3) elect to receive installment payments, and (4) file with the Investment Service Center a written designation of a beneficiary or beneficiaries on a form provided by the Investment Service Center. Your surviving spouse may not make any new contributions or initiate any loans from the Program.

#### ***Attainment of Age 70½***

If you have terminated employment from D-MS and have not withdrawn all assets in your account by the end of the year in which you attain age 70½, and the amount withdrawn for the year in which you attain age 70½ is less than the legally required minimum annual distribution amount, the minimum annual distribution amount will be determined consistent with prevailing Federal regulations and paid to you from your account assets beginning not later than April 1 of the year following your attaining age 70½. The cumulative amount of any voluntary installment payments and partial withdrawals taken by you during the calendar year will first be used to satisfy the legally required minimum annual distribution amount applicable for such year. You are required to receive only the difference between the amount paid to you during the year and the legally required minimum amount applicable for such year.

If you attain age 70½ and you have not terminated employment from D-MS, required minimum annual distributions will begin following your termination of employment from D-MS.

If you die and your spousal beneficiary elects to keep your account assets in the Program, your surviving spouse will be deemed to have attained age 70½ on the date you would have attained such age. If your surviving spouse has not withdrawn all the account assets by the date you would have attained age 70½, legally required minimum annual distributions will begin to be paid to your spouse from the account.

#### ***Undeliverable Assets***

In the event a distribution of assets to you or your beneficiary cannot be made because the identity or location of you or your beneficiary cannot be determined after reasonable efforts, and if your assets remain undistributed for a period of one year from the processing date, the undistributed assets will be returned to the Program and liquidated. All liability for payment of your undistributed assets will then terminate; provided, however, in the event the identity or location of you or your beneficiary is later determined, the value of the assets at the Date of Valuation will be paid from the Program to you or your beneficiary in a single sum. No interest will be paid on your assets after such Date of Valuation. Any assets so liquidated and not eventually paid to you or your beneficiary will be applied to reduce D-MS contributions and/or administration expenses.

#### **TAX CONSIDERATIONS**

##### ***General***

The Internal Revenue Service has determined that the Program is a tax-qualified employee benefit plan meeting the requirements of the Code and that the trust established thereunder is exempt from United States Federal income taxes.

The following comments are based on the current Code and on currently available information regarding the policies of the Internal Revenue Service. In as much as the terms of the Program and the rules contained in the applicable provisions of the Code affecting the Program are quite technical, the following statements are necessarily only very general in nature and do not constitute tax advice. Statutory provisions are, of course, subject to change, and their application may vary in individual circumstances. It is recommended that you discuss individual tax matters regarding the United States or foreign tax aspects of participation in the Program with a tax advisor.

##### ***Contributions to Program***

United States Federal income tax consequences can have an important bearing on your decision as to whether to participate in the before-tax Deferred Savings and/or the after-tax Regular Savings features of the Program. Deferred Savings contributions reduce your income currently subject to Federal income taxes but are subject to such taxes when withdrawn or distributed. Regular Savings contributions do not reduce your income currently taxable and are taxed under special rules when withdrawn or distributed (see "Withdrawals and Distributions While Employed by D-MS" for a description of the rules). D-MS matching contributions, as well as earnings credited to your account, are not subject to Federal income taxes prior to distribution or withdrawal.



### ***Contribution Limitations***

The total annual amount of before-tax Deferred Savings contributions you may make to the Program (or similar type plan) is limited to \$12,000 during 2003. If you are age 50 or older by the end of 2003, you may be eligible to make additional before-tax Catch-Up contributions of up to \$2,000 in 2003. This amount may be periodically adjusted for subsequent calendar years, as provided by law. Your after-tax Regular Savings contributions are not taken into account for this limitation; however, the limitations described below may apply to such contributions. If you are a "highly compensated" employee (generally an employee earning more than \$90,000, as indexed for inflation under law) participating in the Program, your Deferred Savings contributions may be limited to comply with Federal income tax law requirements. If you are a "highly compensated" employee who chooses to participate in the Deferred Savings feature of the Program you will be subject to limitation testing and may have your contribution percentage reduced below the level you chose, depending upon the level of contributions made by other employees. Deferred Savings contributions invested in the Delphi Common Stock Fund are separately subject to the limitation testing. If you are affected, your contributions will be reduced and you will be notified as soon as possible.

Regular Savings contributions and D-MS matching contributions invested in the Delphi Common Stock Fund are subject to the limitation testing on your contribution percentage mentioned above. Similarly, Regular Savings contributions not invested in the Delphi Common Stock Fund are separately subject to the limitation testing. If you are a "highly compensated" employee, your Regular Savings contributions and/or D-MS matching contributions may be limited to comply with Federal income tax law requirements, depending upon the level of contributions made by other employees. If you are affected, your contributions will be reduced and you will be notified as soon as possible.

In addition, your contributions may be limited under other tax law provisions. First, the amount of your eligible compensation that may be taken into account under the Program is limited to \$200,000 (this amount may be adjusted periodically for subsequent calendar years as provided for by law). Second, the amount of contributions to D-MS's tax-qualified retirement plans is limited to \$40,000. The sum of the following contributions are subject to this limit: (1) your Deferred Savings contributions, (2) your Regular Savings contributions (including elective Bonus Programs), and (3) D-MS matching contributions. In the event your contributions exceed these limitations, any amount in excess of these limitations will be returned to you.

If you are age 50 or over by the end of 2003, you may be eligible to make up to an additional \$2,000 of Catch-Up contributions in 2003 provided your contributions have reached a specific plan limit. The limitations above for

which Catch-Up contributions may be made include the \$12,000 limit on before-tax contributions, the limitations on highly compensated employees described above, the \$40,000 limitation on annual contributions, the 40% limit on Program contributions, and the maximum annual compensation limit of \$200,000.

The Internal Revenue Service has determined that Deferred Savings contributions may be included as "compensation" under a pension plan like D-MS's Retirement Program. Therefore, D-MS does not reduce contributions and benefits under D-MS's Retirement Program by reason of your election to make Deferred Savings contributions under this Program.

### ***Deferred Savings***

Your before-tax Deferred Savings contributions represent contributions through a salary reduction arrangement in accordance with Section 401(k) of the Code. This has the effect of reducing your current income subject to Federal income taxes. Deferred Savings contributions are subject to Social Security taxes. As a result, participation in the Deferred Savings feature of the Program does not cause a reduction in earnings subject to Social Security taxes. Deferred Savings contributions are subject to more restrictive withdrawal requirements than after-tax Regular Savings contributions. A description of these restrictions appears under "Withdrawals and Distributions of Deferred Savings."

### ***Withdrawals and Distributions of Deferred Savings***

Under Federal income tax law, your before-tax Deferred Savings may not be withdrawn or distributed earlier than upon the occurrence of one of the following events: (1) you attain age 59½, retire, die, become disabled, sever your employment with D-MS, or incur a "Financial Hardship," or (2) termination of the Program. During your active employment with D-MS, withdrawals are permitted any time after you attain age 59½, or for a Financial Hardship that is covered under the terms of the Program.

Withdrawals and distributions of Deferred Savings are taxable, and a 10% additional tax may apply to you if you are under age 59½ when you make such withdrawals and distributions.

### ***Regular Savings***

Your Regular Savings represent after-tax contributions to the Program. See the following discussion for more details concerning distributions and withdrawals of Regular Savings.

### ***Withdrawals and Distributions***

#### ***While Employed by D-MS***

Under certain circumstances and as described below, you may incur Federal income tax and a 10% additional tax at the time of receipt of a withdrawal or distribution of the assets in your account.

If you make a withdrawal of Regular Savings or D-MS matching contributions while still employed by D-MS

and the lump-sum treatment referred to in the following section is not applicable, all or a portion of the withdrawal may be taxable at ordinary income rates and a 10% additional tax may apply. For this purpose, Delphi common stock attributable to D-MS matching contributions and all earnings thereon are valued at the market price on the delivery date, while the Delphi common stock attributable to your Regular Savings contributions is valued at the lower of cost to the Trustee or market price on the delivery date.

A 10% additional early distribution tax will be imposed on the taxable amount of Program distributions or withdrawals made by you if you are under age 59½. The additional tax does not apply to a tax-free rollover or direct rollover to an Individual Retirement Account ("IRA") or another employer's qualified plan. Also, the tax does not apply if you (1) retire during or after the calendar year in which you attain age 55, (2) use the money for payment of deductible medical expenses, (3) take a Program distribution or withdrawal under the requirements of a "qualified domestic relations order," (4) receive a distribution on account of death, disability, or a federal tax levy after 1999, or (5) terminate employment and receive a series of substantially equal periodic payments, at least annually, made for your life or the joint lives of you and your beneficiary and such payments continue for five years or until you attain age 59½, whichever is later.

#### ***Withdrawals and Distributions Upon Retirement or Other Termination of Employment***

Your taxable income on a distribution is equal to the excess of the value of the distribution above your after-tax contributions under the Program not previously distributed. For this purpose, the value of Delphi common stock is determined at the lower of cost to the Trustee or market price on the delivery date.

As a result of tax law changes, as of January 1, 2000, five-year income averaging on lump-sum distributions has been eliminated. If you were at least age 50 on January 1, 1986, special averaging rules may apply after January 1, 2000. Under these special averaging rules, you may make a one-time election at any age to use capital gains treatment and/or ten-year income averaging under 1986 income tax rates.

If you receive a withdrawal or distribution, you can accomplish a tax-free rollover into a traditional IRA or another eligible retirement plan, or elect a direct rollover to a traditional IRA or another eligible retirement plan, and thereby postpone receipt of taxable income until distributions are received from the IRA or the other plan. An "eligible retirement plan" includes a plan qualified under Section 401(a) of the Code, including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a Section 403(a) annuity plan; a Section 403(b) tax sheltered annuity; and an eligible Section 457(b) plan maintained by a governmental employer. A tax-free rollover must be made normally

within 60 days after you receive the distribution. Both the taxable and nontaxable (after-tax contributions) amounts of a distribution may be rolled over. Any taxable amount rolled over into a traditional IRA is taxable as ordinary income when payment is subsequently made under the IRA. Deferred Savings are considered employer contributions and may be rolled over; however, a Financial Hardship withdrawal of Deferred Savings cannot be rolled over. If you rollover less than the total taxable amount of a lump-sum distribution, the remaining taxable amount is considered ordinary income. If you are interested in making a tax-free or direct rollover, you should plan such rollover in advance with your investment, tax, or legal advisors. You are responsible for making your own arrangements and determining the applicability of these rules to your particular situation. If you are considering a tax-free rollover or a direct rollover, you should refer to the section entitled "Rules on Income Tax Withholding and Direct Rollovers" for important information related to the 20% Federal income tax withholding rules and the direct rollover rules.

If you are retiring or terminating employment with D-MS, you may continue to defer the distribution of all assets in your account until April 1 of the year following the year in which you attain age 70½ (the time minimum annual distributions must commence for a retired or terminated participant).

#### ***Loans***

If you are an active employee and you default on a loan, a deemed distribution will occur in the amount equal to the remaining outstanding loan balance (including interest), and will result in a taxable distribution if the deemed distribution includes amounts other than amounts attributable to your after-tax contributions. In addition, should the default occur before you reach age 59½, the 10% additional early distribution tax may apply. You will be provided the opportunity to repay the defaulted loan, and to the extent you repay an amount attributable to after-tax contributions, your tax basis in the Program will increase, thereby reducing the taxable amount of future distributions. If you are a former employee (retired or separated) and you default on a loan, an actual distribution to you will be considered to have been made equal to the remaining outstanding loan balance (including interest). This will result in a taxable distribution equal to the excess of the value of the distribution above your after-tax contributions under the Program not previously distributed. You will not be permitted to repay your defaulted loan.

Consumer interest paid on Program loans is not deductible for tax purposes.

#### ***Dividends***

If you choose to receive cash dividend payments from the Delphi Common Stock Fund, such dividends are taxable income when received. However, under current tax law, the cash dividend payments are not subject to the 10%

additional early distribution tax that is usually imposed on certain withdrawals or distributions made from the Program before you reach age 59½. Cash dividend payments cannot be rolled over to an IRA or another eligible retirement plan.

#### ***Rules on Income Tax Withholding and Direct Rollovers***

Federal income tax is withheld at a mandatory rate of 20% on the taxable amount of withdrawals and distributions that are eligible to be, but are not, directly rolled over at your direction into a traditional IRA or another eligible retirement plan.

A withdrawal of Deferred Savings for a Financial Hardship is not eligible to be rolled over to a traditional IRA or another eligible retirement plan. As a result, such withdrawal is not subject to mandatory 20% withholding.

Current rollover rules permit a "direct rollover" which allows for the taxable and non-taxable amount of withdrawals and distributions to be rolled over directly into an IRA or another eligible retirement plan except (a) required minimum annual distributions after age 70½, (b) substantially equal installment payments that are payable for ten or more years, and (c) a hardship withdrawal. You can make an irrevocable election to have all or any taxable portion of a withdrawal or distribution from the Program paid in a direct rollover to an IRA or another eligible retirement plan. Any such withdrawal or distribution that is paid directly to an IRA, or another eligible retirement plan in a direct rollover, is exempt from the 20% Federal income tax withholding requirement. Further, the taxable portion of minimum annual distributions, hardship withdrawals, and installment payments described above are subject to Federal income tax withholding unless you affirmatively elect not to have withholding apply to the distribution. In these cases, absent such an election, D-MS withholds federal income tax on the estimated taxable amount of the distribution.

#### ***Miscellaneous***

Each person realizing taxable income from making a withdrawal or distribution from the Program or from the sale of Delphi common stock received from the Program, is individually responsible for filing appropriate income tax returns and declarations of estimated tax and for payment of taxes as required by law. You can find more specific information on the tax treatment of payments from a qualified employer plan in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS website at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.

For state and local income tax purposes, the tax treatment of the Program may differ from the Federal income tax treatment described above. Accordingly, the Federal tax rules may not apply for state and local tax purposes. You should consult your tax advisor in this matter.

#### **SOURCE OF DELPHI COMMON STOCK ACQUIRED FOR THE PROGRAM**

Delphi common stock acquired by State Street Bank and Trust Company as commingled Fund Manager may be obtained by purchases on the open market or obtained from Delphi or others by subscription or purchase. Employee contributions, D-MS contributions, loan repayments, rollover contributions, and exchanges are used to purchase units in the Delphi Common Stock Fund and are based on the unit value determined by State Street Bank and Trust Company as commingled Fund Manager at the close of business on the day the transaction is reconciled.

#### **EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED**

The Program is subject to certain parts of ERISA. In addition, the Program is subject to various provisions of the Code.

#### **VOTING OR TENDERING OF DELPHI COMMON STOCK**

To the extent it is consistent with ERISA and the Code, State Street Bank and Trust Company as Fund Manager will vote or tender shares equivalent to the current value of your assets invested in Delphi common stock, in accordance with your directions. The Trustee will not inform D-MS or Delphi of your voting or tendering decisions.

Before each respective stockholder meeting, you will be contacted by mail and asked for directions on how to vote shares equivalent to the current value of your investment in Delphi common stock. You may specify your directions via the Internet or the telephone or by completing and returning the proxy/voting instruction card that will be provided to you by mail. Shares of Delphi common stock for which you do not provide direction will be voted by State Street Bank and Trust Company in the same ratio as shares with respect to which instructions were received from other Program participants.

Furthermore, in the event of a tender offer, if you have assets in the Program invested in the Delphi Common Stock Fund, you may tender the equivalent current value of such assets in your account by providing appropriate direction in a manner prescribed by Delphi at the time of such tender.

#### **SPECIAL PROVISIONS REGARDING VETERANS**

If you are rehired following qualified military service (as defined in the Uniformed Services Employment and Re-Employment Rights Act), you are entitled to have Delphi make contributions to the Program from your current earnings that shall be attributable to the period of time contributions were not otherwise allowable due to military service. These contributions are in addition to contributions otherwise permitted under the Program and are made as permitted under the Code. The additional contributions will be based on the amount of eligible salary



and elective Bonus Programs that you would have received from Delphi during the applicable period of military service. Such contributions must be made during the period that begins upon your re-employment and extends for the lesser of five years or your period of military service multiplied by three.

If you have an outstanding loan(s) during a period of qualified military service, loan payments are suspended during such period, and the time for repayment of such loan(s) is extended for a period of time equal to the period of your qualified military service.

## **MISCELLANEOUS**

### ***Claim Denial Procedures***

If you make a claim for benefits under the Program and it has been denied, the Program Administrator (see "Administration") will provide you or your beneficiary in writing of the specific reasons for such denial. You or your beneficiary will then be given an opportunity for a full and fair review of the decision to deny a claim for benefits by filing an appeal with the Benefits Committee of D-MS. The Benefits Committee has been delegated final discretionary authority to construe, interpret, apply, and administer the Program. The written appeal must be filed within 60 days from the date of the Program Administrator's written decision denying a claim for benefits. The appeal must be sent to the Secretary of the Benefits Committee, Delphi Mechatronic Systems, Inc., 3110 Woodcreek Drive, Downers Grove, Illinois 60515. The written appeal should clearly state why you believe the Program Administrator was wrong in denying your claim for benefits.

When proceeding through the claim denial procedures, an individual whom D-MS determines to be properly authorized to act on your behalf may represent you. As part of the appeal, you should present all documents, records, and any other information relating to your claim. The Benefits Committee is the final review authority with respect to appeals, and its decision is final and binding upon D-MS, you and your beneficiary. A written decision on the request for review is furnished within 60 days (120 days if special circumstances required an extension of time) after the date the written request is received by the Benefits Committee. You must complete the claim denial procedures before taking legal action, including your right to bring a civil action under Section 502(a) or ERISA.

### ***ERISA Rights***

As a participant in the Program you are entitled to certain rights and protections under ERISA. ERISA provides that all Program participants shall be entitled to:

- Receive information about your Program and benefits
- Examine, without charge, at the Program administrator's office and at other specified locations, such as worksites and union halls, all documents governing

the Program, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Program with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- Obtain, upon written request to the Program administrator, copies of documents governing the operation of the Program, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- Receive a summary of the Program's annual financial report. The Program administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age and if so, what your benefits would be at normal retirement age if you stop working under the Program now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Program must provide the statement free of charge.

In addition to creating rights for Program participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit Program. The people who operate your Program, called "fiduciaries" of the Program, have a duty to do so prudently and in the interest of you and other Program participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Program documents or the latest annual report from the Program and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Program administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal

court. In addition, if you disagree with the Program's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that Program fiduciaries misuse the Program's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about your Program, you should contact the Program Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Program administrator, you should contact the nearest office of the Employee Benefits Securities Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Securities Administration.

#### ***Designation of Beneficiaries***

You may file with the Investment Service Center a written designation of a beneficiary or beneficiaries with respect to all or part of your Program assets. If you are married, on your death, the entire balance of your account will be paid to your surviving spouse unless your written designation of beneficiary designating a person(s) other than your spouse with respect to part or all of the assets in your account includes your spouse's written consent, witnessed by a notary public or Program representative. You may change or revoke the written designation of beneficiary filed with the Investment Service Center at any time (with the consent of your spouse, when necessary). No designation or change of beneficiary is effective until it is determined to be in order by the Investment Service Center, but when so determined, if practicable, it is effective retroactively to the date of the instrument making the designation or change.

If you are unmarried and do not file a written designation of beneficiary or beneficiaries, you are deemed to have designated as beneficiary or beneficiaries under this Program the person or persons designated to receive your Basic Life Insurance proceeds upon your death under D-MS's employer-provided life insurance, unless you have assigned such life insurance. Upon your death, your beneficiary or beneficiaries receive, subject to provisions of the Program, assets in your account in accordance with the applicable designation. If D-MS is in doubt as to

the right of any beneficiary to receive any such assets, D-MS may deliver such assets to your estate, in which case D-MS does not have any further liability to anyone.

Upon your death, a settlement of all assets in your account will be made to the designated beneficiary or beneficiaries. Your beneficiary or beneficiaries may elect to receive cash-in-lieu of all shares equivalent in value to the assets invested in the Delphi Common Stock Fund in your account, based on the Current Market Value of such Funds on the Date of Valuation. The Date of Valuation is the Effective Date of Withdrawal which for this purpose means the day on which the Administrator, or its delegate, determines the appropriate beneficiary or beneficiaries and is in receipt of all necessary information and directions to process the settlement.

#### ***Liens Upon and Assignability of Interest***

Except for benefits payable pursuant to a qualified domestic relations order, you may not assign or transfer any benefits payable under the Program. In addition, to the extent permitted by law, no such benefits are subject to legal process or attachment for the payment of any claim of any person entitled to receive the same.

#### ***Qualified Domestic Relations Order***

The Program is required by law to obey court orders (such as divorce decrees) that require a percentage of your account balance to be paid to a spouse, former spouse, child or dependent. If such an order is determined by the Plan Administrator to be a QDRO, the Plan will be required to comply with the terms of the order and will make every effort to notify you of any attempt to subject your account to a court order. You may obtain, without charge, a copy of the QDRO procedures from the Plan Administrator.

#### ***Statement of Account***

You may now access your Program account statement online, 24 hours a day through the internet ([www.401k.com](http://www.401k.com)). The online statement offers all the same information as the hard copy statement including your personal rate of return. The online statement also adds more flexibility; your account information can be retrieved monthly, quarterly or for a specific date range. Additionally, the date range can be set to go back as far as 24 months.

If you choose to view your statement online, you will automatically no longer receive a hard copy quarterly statement in the mail. However, after reviewing your statement online, you may, at some future date, elect to receive quarterly hard copy statements in the mail by making this election online.

#### ***Changes in Delphi Common Stock***

In the event that outstanding shares of Delphi common stock are changed in number or class by reason of split-ups, spinoffs, combinations, mergers, consolidations, or recap-



talizations, or by reason of stock dividends, the number and class of shares which thereafter may be purchased under the Program, in the aggregate, and the number and class of shares then in the trust account and in your Program account will be adjusted so as to reflect such change.

### **Confidential Information**

The Investment Service Center performs many aspects of recordkeeping and transaction processing related to the Program. Currently, Fidelity provides the services for the Investment Service Center, and such services are monitored by D-MS so that sufficient procedures are in place to safeguard the confidentiality of information relating to the purchase, holding, and sale of securities by you and other participants.

Under existing procedures, to participate in the Program, you must establish through the Investment Service Center a confidential personal identification number (Personal Identification Number or "PIN"). This confidential PIN limits access to your Program account to only you. You may, at any time, change your PIN. Moreover, you may only access your own account information and initiate transactions through the Internet or by telephone using your PIN and Social Security number. **YOU SHOULD NOT GIVE ANYONE YOUR PIN. NEITHER D-MS, DELPHI, GMTC, GMIMCo, THE PROGRAM ADMINISTRATOR, THE PROGRAM RECORDKEEPER, NOR THE PROGRAM WILL BE RESPONSIBLE FOR THE SECURITY OF YOUR ACCOUNT IF YOU DISCLOSE YOUR PIN TO ANYONE ELSE.** In addition, procedures have been established to de-activate your PIN after three consecutive attempts are made to access your Savings-Stock Purchase Program account via the Investment Service Center telephone voice response system or the Internet without a valid PIN. With regard to voting and tendering of shares of Delphi common stock, the Trustee does not inform D-MS of your actions.

The Program fiduciary responsible for monitoring compliance with the confidentiality procedures is the Human Resources Manager, Delphi Mechatronic Systems, Inc., 3110 Woodcreek Drive, Downers Grove, Illinois 60515, telephone number 1-630-795-4541.

### **Additional Information**

You may view mutual fund prospectuses online or request copies of the mutual fund prospectuses free of charge by calling the Investment Service Center at 1-877-389-2374. A copy of this prospectus can be requested and will be mailed to your address of record. You may also view and print this prospectus online at [www.401k.com](http://www.401k.com). If you require additional information about the Program, you should direct your request to: Human Resources Manager, Delphi Mechatronic Systems, Inc., 3110 Woodcreek Drive, Downers Grove, Illinois 60515, telephone number 1-630-795-4541.

### **REFERENCE TO FULL TEXT**

The foregoing statements are summaries of certain provisions of the Program. They do not purport to be complete. The "Complete Text" of the Program, which is available to participants upon request, governs all aspects of the Program.

## **ADMINISTRATION**

The Program is a defined contribution retirement plan. It includes a cash or deferred arrangement intended to satisfy the requirements of Section 401(k) of the Internal Revenue Code. The Program also is an individual account plan intended to comply with Section 404(c) of ERISA.

Except as set forth below, the D-MS Board of Directors is the Named Fiduciary with respect to the Program. The Named Fiduciary may delegate authority to carry out such of its responsibilities, as it deems proper, to the extent permitted by ERISA.

Except as set forth below, GM Investment Management is the Named Fiduciary of the Program for purposes of investment of Program assets. GM Investment Management may delegate authority to carry out such of its responsibilities, as it deems proper, to the extent permitted by ERISA.

Any participant or beneficiary who makes an investment election permitted under the Program, or otherwise exercises control permitted under the Program over the assets in a participant's account, is deemed the "named fiduciary" under ERISA responsible for such decisions to the extent that such designation is permissible under applicable law, and that the investment election or other exercise of control over such account is not protected by Section 404(c) of ERISA, as amended.

D-MS is the Program Administrator. The Program Administrator has discretionary authority to construe, interpret, apply, and administer the Program. The Program Administrator may delegate various aspects of the Program Administration as it deems appropriate.

Various aspects of Program administration have been delegated to the Program Recordkeeper, currently Fidelity. In carrying out its delegated responsibilities, the Program Recordkeeper has discretionary authority to construe, interpret, apply, and administer the Program provisions. The discretionary authority delegated to the Program Recordkeeper is, however, limited to Program terms relevant to its delegated responsibilities and does not permit the Program Recordkeeper to render a determination or make any representation concerning benefits which are not provided by the express terms of the Program. The Program Recordkeeper's actions are given full force and effect unless determined by the Program Administrator to be contrary to the Program provisions or arbitrary and capricious.

The Benefits Committee of D-MS has final discretionary authority to construe, interpret, apply, and administer the Program and serves as the final step of the Program appeal procedure. Any interpretation or determination regarding the Program made by the Benefits Committee is given full force and effect, unless it is proven that the interpretation or determination was arbitrary and capricious.

D-MS reserves the right to amend, modify, suspend, or terminate the Program in whole or in part, at any time, by action of its Board of Directors or other individual or committee expressly authorized by the Board to take such action. No oral statements can change the terms of this Program. This Program can only be amended in writing by D-MS's Board of Directors or an appropriate individual or committee as designated by the Board of Directors. Absent an express delegation of authority from the Board of Directors, no one has the authority to commit D-MS to any benefit or benefit provision not provided for under the Program or to change the eligibility criteria or other provisions of the Program.

It is intended that the Program will constitute a plan described in Section 404(c) of ERISA, and pursuant to such Section 404(c), the fiduciaries of the Program may be relieved of liability for losses resulting from investment instructions given by participants or beneficiaries.

The trust established under the Program is administered by State Street Bank and Trust Company, Master Trust Division, One Enterprise Drive, North Quincy, Massachusetts 02171. State Street Bank and Trust Company is the trustee. There is no material relationship other than in the ordinary course of business between State Street Bank and Trust Company and D-MS or D-MS's employees.

#### LEGAL OPINION

Diane Kaye, Attorney, Delphi Legal Staff, has passed upon the legality of the Delphi common stock offered by this Prospectus. Ms. Kaye owns shares of Delphi common stock and has options to purchase additional shares of Delphi common stock.

#### EXPERTS

The consolidated financial statements and financial statement schedules included in the Delphi 2001 Annual Report on Form 10-K have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing therein, and have been so incorporated in reliance upon such report given upon the authority of Deloitte & Touche LLP, as experts in accounting and auditing.

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**DELPHI**

Delphi Investment Service Center  
P.O. Box 5424  
Cincinnati, OH 45250-5424

First Class  
U.S. Postage  
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Fidelity  
Investments

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Delphi Mechatronic S-SPP PRO